PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax however, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

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

$7,000,000

SIDNEY CENTRAL SCHOOL DISTRICT

DELAWARE, CHENANGO AND OTSEGO COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$7,000,000 Bond Anticipation Notes, 2024

(the "Notes")

Dated: July 24, 2024 **Due: July 24, 2025**

The Notes are general obligations of the Sidney Central School District, Delaware, Chenango, and Otsego Counties, New York, 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 imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "NATURE OF OBLIGATION" herein.

The Notes will not be subject to redemption prior to maturity.

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

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes issued bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District. Paying agent fees, if any, will be the responsibility of the purchaser should the purchaser choose to engage same.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinions as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about July 24, 2024.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on July 10, 2024, by no later than 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

July 2, 2024

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE "MATERIAL EVENT NOTICE" HEREIN.

SIDNEY CENTRAL SCHOOL DISTRICT
DELAWARE, CHENANGO, AND OTSEGO COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

KERRI GREEN
President

AMANDA FINCH
Vice President

ANNA BANKS
CORBIN CURLEY
AMANDA FINCH
THOMAS HOSKINS
JASON MILLER

* * * * * * * *

ADMINISTRATION

EBEN M. BULLOCK
Superintendent of Schools

AIMEE WARNER
School Business Executive

CONNIE RUTHERFORD
District Treasurer

NANCY EDWARDS
School District Clerk

FERRARA FIORENZA PC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

OF THE

SIDNEY CENTRAL SCHOOL DISTRICT
DELAWARE, CHENANGO AND OTSEGO COUNTIES, NEW YORK

RELATING TO

$7,000,000 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the Sidney Central School District, Delaware, Chenango and Otsego Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $7,000,000 Bond Anticipation Notes, 2024 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated July 24, 2024 and will mature July 24, 2025. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on November 8, 2022, authorizing a $8.0 million capital project which includes various reconstruction and improvements to District buildings and facilities with $1,000,000 capital reserve fund money and $7,000,000 bonds and notes.

The Notes will provide $7,000,000 of new monies for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located in the south central sector of New York State, approximately 40 miles east of the City of Binghamton and 20 miles north of the Pennsylvania border, and serves portions of Delaware, Chenango and Otsego Counties. Major highways of service to the District include U.S. Route #88 and State highways #7 and #8. The District is also served by the Delaware and Hudson Railroad (freight) and Greyhound Bus Lines.

The District is residential, agricultural and industrial in nature. Major industrial employers in the Village of Sidney include Amphenol Corporation which employs 1,015 people and makes electrical components. During the COVID – 19 pandemic, ACCO Brands USA LLC has been forced to furlough and lay off employees. It is unknown at this time whether the employees will be hired back at a later date.

Police protection is provided by the Sidney Police Department, assisted by the Delaware County Sheriff's Department and the New York State Police. A volunteer fire department provides fire protection and ambulance service.

Source: District officials.

Population

The current estimated population of the District is 7,275. (Source: 2022 U.S. Census Bureau estimate.)

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Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are the Towns and 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 is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2018-2022	2006-2010	2016-2020	2018-2022
Towns of:						
Franklin	$ 17,477	$ 31,639	$ 33,039	$ 44,519	52,194	$ 59,875
Guilford	15,536	27,170	28,007	40,801	73,750	77,897
Masonville	14,933	25,634	27,293	36,406	61,875	69,000
Sidney	16,335	23,237	23,681	35,351	61,134	61,406
Unadilla	16,908	27,434	28,814	40,556	58,848	61,976
Walton	16,779	23,584	26,904	41,464	47,444	53,171
Counties of:						
Chenango	16,427	28,780	29,992	39,711	65,537	69,131
Delaware	17,357	28,139	30,547	39,695	65,755	69,776
Otsego	16,806	30,223	32,226	41,110	71,686	77,030
State of:						
New York	43,208	40,898	39,741	51,691	51,691	92,731

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

Source: 2006-2010, 2016-2020, and 2018-2022 5-Year American Community Survey estimates.

Larger Employers

The larger employers located within the area in and around the District include:

Employer	Type	Number of Employees
Amphenol Corporation	Electrical Components	1,015
ACCO Brands USA LLC	Desk Calendars	495
Sidney Central School District	Education	203
Sidney Federal Credit Union	Finance	200
Huff Ice Cream	Food	52
UNALAM	Laminated Products	45
Village of Sidney	Municipal	40

Source: District officials.

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Unemployment Rate Statistics

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

Annual Averages

	2017	2018	2019	2020	2021	2022	2023
Delaware County	5.5%	4.8%	4.5%	7.0%	4.6%	3.7%	4.0%
Chenango County	5.3	4.7	4.3	6.6	4.4	3.3	3.5
Otsego County	5.0	4.3	4.1	6.9	4.4	3.4	3.8
New York State	4.6	4.1	3.8	9.9	6.9	4.3	4.2

2024 Monthly Figures

	Jan.	Feb.	Mar	Apr	May	Jun	July
Delaware County	5.1%	5.1%	4.7%	4.1%	N/A	N/A	N/A
Chenango County	4.4	4.5	4.1	3.4	N/A	N/A	N/A
Otsego County	5.3	5.0	4.6	3.8	N/A	N/A	N/A
New York State	4.3	4.5	4.2	3.9	N/A	N/A	N/A

Note: Unemployment rates for May, June, and 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 District, consists of seven members with overlapping three-year terms so that, as nearly as possible, an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other district offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023. The District's adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for no tax levy increase, which was below the District tax levy limit of 2.00%.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024. The District's adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.00%, which is equal to the District tax levy limit of 2.00%.

Investment Policy

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

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

General Municipal Law and the District policy do not permit the District to enter into reverse repurchase agreements or make other derivative type investments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2024-25 fiscal year, approximately 77.51% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 and 2021 to 2023 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017 and the State's 2023-24 Budget which was not adopted until May 3, 2023. No assurance can be given that the State will not experience delays in in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal aid received by the State.

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

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

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 2024-25 preliminary building aid ratios, the District expects to receive State building aid of approximately 93.5% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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 2023-24 Enacted Budget includes $34.5 billion for school aid, an increase of $3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provides $134 million to increase access to free school meals. An additional $20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

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

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

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 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.

State Aid Revenues

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

Fiscal Year	Total Revenues [(1)]	Total State Aid [(1)]	Percentage of Total Revenues Consisting of State Aid
2018-2019	$ 27,253,636	$ 19,335,872	70.95 %
2019-2020	25,260,726	18,185,064	71.99
2020-2021	25,682,051	18,465,056	71.90
2021-2022	27,278,608	19,073,977	69.92
2022-2023	28,308,286	20,898,995	73.82
2023-2024 (Budgeted)	30,154,858	23,204,146	76.95
2024-2025 (Budgeted)	30,821,491	23,891,142	77.51

(1) General fund only.

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

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
Sidney Elementary [(1)]	Pre-K-6	633	1969, ’71, ’03
Sidney Middle School [(1)]	7-8	152	1950, ’77, ’03
Sidney High School [(1)]	9-12	299	1958, ’77, ’04

(1) Includes Special Education.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2019-2020	1,085	2024-2025	1,087
2020-2021	1,029	2025-2026	1,087
2021-2022	1,094	2026-2027	1,087
2022-2023	1,065	2027-2028	1,087
2023-2024	1,032	2028-2029	1,087

Note: The enrollment figures for the 2020-2021 fiscal year were impacted by pre-kindergarten not being offered due to the COVID-19 pandemic.

Source: District officials.

Employees

The District employs a total of approximately 203 full-time employees. Employees are represented by various unions as follows:

Number of Employees	Union	Contract Expiration Date
105	Sidney Teachers’ Association	June 30, 2025
82	Sidney School Related Personnel Association	June 30, 2025
9	Sidney Administrators’ Association	June 30, 2025
7	Non-Representative	Not Applicable

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2018-2019 through and including 2022-2023 and budgeted figures for the 2023-2024 and 2024-2025 fiscal years are as follows:

Fiscal Year	ERS	TRS
2018-2019	$ 234,840	$ 832,141
2019-2020	342,725	654,283
2020-2021	326,869	675,947
2021-2022	339,549	714,370
2022-2023	356,575	809,332
2023-2024 (Budgeted)	425,000	850,000
2024-2025 (Budgeted)	450,000	862,000

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 does not currently have any early retirement incentive programs.

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 (2019-2020 to 2024-2025) is shown below:

Year	ERS	TRS
2019-20	14.6%	8.86%
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02*

* Estimated.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such a fund and has funded it in the amount of $738,311.

Other Post-Employment Benefits

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

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

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

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

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

Balance beginning at June 30:	2021	2022
Changes for the year:	$ 8,869,061	$ 7,933,631
Service cost	518,336	351,089
Interest	197,903	285,902
Differences between expected and actual experience	-	-
Demographic gains or losses	-	(75,709)
Changes in assumptions or other inputs	(1,198,740)	762,851
Changes of benefit terms	-	-
Benefit payments	(452,929)	(420,474)
Net Changes	$ (935,430)	$ 903,659
Balance ending at June 30:	2022	2023
	$ 7,933,631	$ 8,837,290

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

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

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

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

Other Information

The statutory authority for the power to spend money 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 may be found attached hereto as "APPENDIX – D" to this Continuing Disclosure Statement. Certain financial information of the District can be found attached as Appendices to the Continuing Disclosure Statement.

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

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

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

Unaudited Results for Fiscal Year Ending June 30, 2024

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

Revenues:	$	31,122,720
Expenditures:		27,976,067
Excess (Deficit) Revenues Over Expenditures:	$	3,146,653
Total Fund Balance at June 30, 2022:	$	10,893,970
Total Estimated Fund Balance at June 30, 2023:	$	14,040,623

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 March 13, 2020. The purpose of the audit was to determine whether the Board and District officials properly managed fund balance for the period July 1, 2016 through June 30, 2019. The period was extended back to July 1, 2015 to analyze the tax certiorari reserve and trends of unused appropriated fund balance.

Key Findings:

- As of June 30, 2019, the unemployment insurance reserve and tax certiorari reserve balances of $381,484 and $563,862, respectively, were excessive.
- The District's reported fund balances exceeded its statutory limit in all three fiscal years. After adding back unused appropriated fund balances each year and the excessive tax certiorari reserve balance as of June 30, 2019, the District's recalculated surplus fund balance exceeded the statutory limit each of the last three fiscal years, ranging from 4.7 percentage points to 8.9 percentage points over the limit.
- The Board and District officials did not develop multiyear financial plans or establish targeted funding levels for reserves.

Key Recommendations:

- Review reserve fund balances and reduce them to reasonable levels, as appropriate, in accordance with applicable statutes.
- Reduce surplus fund balance in a manner that benefits District taxpayers.
- Develop multiyear financial plans and establish optimal or targeted funding levels for reserves.

The District provided a complete response to the State Comptroller's office on February 27, 2020. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Sidney	$ 194,655,434	$ 194,189,050	$ 193,486,918	$ 192,278,243	$ 190,605,269
Franklin	2,674,753	2,677,556	3,096,902	3,052,359	3,057,863
Masonville	83,916,141	84,583,523	85,805,139	86,013,120	87,559,798
Walton	47,700	47,700	47,700	47,700	47,700
Unadilla	27,680,648	27,738,118	28,064,408	28,222,135	27,640,884
Guilford	13,008,729	13,021,654	13,087,652	12,918,963	13,014,778
Total Assessed Values	$ 321,983,405	$ 322,257,601	$ 323,588,719	$ 322,532,520	$ 321,926,292
State Equalization Rates					
Towns of:					
Sidney	81.35%	74.00%	70.10%	64.28%	58.55%
Franklin	89.00%	87.50%	100.00%	94.00%	76.00%
Masonville	100.00%	93.92%	86.78%	84.83%	70.95%
Walton	100.00%	100.00%	95.00%	85.00%	77.00%
Unadilla	67.48%	68.00%	63.00%	53.00%	47.00%
Guilford	100.00%	98.00%	100.00%	89.00%	83.00%
Total Taxable Full Valuation	$ 380,279,851	$ 409,663,269	$ 435,673,648	$ 471,589,082	$ 527,529,598

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Sidney	$ 19.47	$ 20.22	$ 20.07	$ 20.23	$ 19.85
Franklin	17.79	17.10	14.07	13.83	15.29
Masonville	15.84	15.93	16.22	15.33	16.38
Walton	15.84	14.96	14.81	15.30	15.09
Unadilla	23.47	22.01	22.34	24.53	24.72
Guilford	15.84	15.27	14.07	14.61	14.00

Tax Collection Procedure

Tax payments are due on the first five to seven days of September. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On or about November 15th, uncollected taxes are returnable to the respective Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy	$ 6,021,920	$ 6,130,917	$ 6,130,917	$ 6,130,917	$ 6,130,917
Amount Uncollected (1)	762,207	786,903	793,298	968,323	751,379
% Uncollected	12.66%	12.83%	12.94%	15.79%	12.26%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

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 & Tax Items.

Fiscal Year	Total Revenues (1)	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2018-2019	$ 27,253,636	$ 6,033,502	22.14 %
2019-2020	25,260,726	6,060,550	23.99
2020-2021	25,682,051	6,163,500	24.00
2021-2022	27,278,608	6,170,177	22.62
2022-2023	28,308,286	6,164,041	21.77
2023-2024 (Budgeted)	30,154,858	6,157,010	20.42
2024-2025 (Budgeted)	30,821,491	6,287,013	20.40

(1) General fund only.

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

Larger Taxpayers 2023 Tax Roll for 2023-24

Name	Type	Full Valuation
NYS Electric & Gas Corp	Utility	$ 18,014,800
State of New York	Government	11,760,500
Amphenol Corporation	Industrial	12,233,200
ACCO Brands USA LLC (Mead)	Industrial	8,852,900
Mt. Upton Properties	Real Estate	5,859,627
Clark Trading Corporation	Commercial	3,520,500
Meadow Crest Mobile Home Park	Multiple Residence	3,549,574
Meadow Valley Park, Inc.	Real Estate	3,262,552
Sidwood LLC	Real Estate	2,884,100
Sidney Federal Credit Union	Financial Services	2,716,400
Sidney RA LLC (Walgreens)	Commercial	2,305,700

The eleven larger taxpayers listed above have a total estimated full valuation of $74,959,853, which represents 14.21% of the tax base of the District.

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

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-2%, Residential-53%, Industrial-4%, Commercial-15% and Other-26%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the District is approximately $1,875 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 $98,700 or less in 2023-2024, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 for the 2023-24 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

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

The below table lists the basic and enhanced exemption amounts for the 2023-24 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Sidney	$ 49,180	$ 17,570	4/9/2024
Franklin	68,100	25,100	4/9/2024
Masonville	61,450	22,650	4/9/2024
Walton	64,680	23,100	4/9/2024
Unadilla	39,480	14,970	4/9/2024
Guilford	69,720	24,900	4/9/2024

$780,252 of the District's $6,130,917 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

A similar STAR amount is expected to be exempt for the 2024-2025 fiscal year. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2025.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

Purpose and Pledge. The School District shall not give or loan any money or property to or in aid of any individual or private corporation 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 the principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

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

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 and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

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 District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

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

(1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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 School 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

Fiscal Years Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 20,150,000	$ 17,750,000	$ 15,385,000	$ 17,790,000	$ 15,805,000
Bond Anticipation Notes	2,627,200	2,484,400	6,161,600	2,500,000	2,240,000
Total Debt Outstanding	$ 22,777,200	$ 20,234,400	$ 21,546,600	$ 20,290,000	$ 18,045,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of July 2, 2024:

Type of Indebtedness	Maturity		Amount
Bonds	2025-2033		$ 17,790,000
Bond Anticipation Notes			
Capital Project	June 27, 2025		2,240,000
		Total Indebtedness	$ 20,030,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 2, 2024:

Full Valuation of Taxable Real Property				$ 527,529,598
Debt Limit – 10% thereof				52,752,960
Inclusions:				
Bonds		$ 17,790,000		
Bond Anticipation Notes (BANs):		2,240,000		
Total Inclusions prior to issuance of the Notes		20,290,000		
Less: BANs being redeemed from appropriations		0		
Add: New money proceeds of the Notes		7,000,000		
Total Net Inclusions after issuance of the Notes			$ 27,290,000	
Exclusions:				
State Building Aid (1)	$ 0			
Total Exclusions		$ 0		
Total Net Indebtedness				$ 27,290,000
Net Debt-Contracting Margin				$ 25,462,960
The percent of debt contracting power exhausted is				51.45%

(1) Based on preliminary 2024-2025 building aid estimates, the District anticipates State Building aid of 93.50% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Cash Flow Borrowings

The District has not found it necessary to issues revenue anticipation or tax anticipation notes in the past and does not anticipate issuing either in the foreseeable future.

Capital Project Plans

On May 21, 2019, the District voters approved a $8,500,000 capital project for upgrades in the elementary building including the 5th and 6th grade classrooms and corridors, elementary cafeteria, and site work throughout the District campus. $8,000,000 of the funding of the project will come from the issuance of bonds and notes with $500,000 of capital fund monies. Of the project amount, $6,000,000 has been financed with part issuance and revenues. The remaining $2,500,000 is currently outstanding and will be partially redeemed and renewed with the issuance of the Notes along with $260,000 available funds of the District

On September 13, 2022, District voters approved an $8,000,000 capital project. The project will be funded with $1,000,000 capital reserve funds and $7,000,000 bond anticipation notes and serial bond proceeds. The Notes will provide $7,000,000 of new monies for the aforementioned purpose.

Other than as listed above, the District does not currently have any authorized and unissued indebtedness.

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Estimated Overlapping Indebtedness

In addition to the 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 District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]		Exclusions [2]		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Chenango	12/31/2022	$ -	(3)	$ -	(4)	$ -	0.52%	$ -
Delaware	12/31/2022	18,345,000	(3)	-	(4)	18,345,000	5.58%	1,023,651
Otsego	12/31/2022	6,000,000	(3)	-	(4)	6,000,000	0.88%	52,800
Town of:								
Sidney	12/31/2022	-	(3)	-	(4)	-	85.92%	-
Masonville	12/31/2022	97,100	(3)	-	(4)	97,100	80.12%	77,797
Franklin	12/31/2022	-	(3)	-	(4)	-	1.37%	-
Unadilla	12/31/2022	157,965	(3)	-	(4)	157,965	20.50%	32,383
Guilford	12/31/2022	533,184	(5)	113,184		420,000	8.05%	33,810
Walton	12/31/2022	-	(3)	-		-	0.01%	-
Village of:								
Sidney	5/31/2023	-	(3)	-	(4)	-	100.00%	-
							Total:	$ 1,220,440

[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 sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
[4] Information regarding excludable debt not available.
[5] Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 2, 2024:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 27,290,000	$ 3,751.20	5.17%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	28,510,440	3,918.96	5.40

[a] The 2022 estimated population of the District is 7,275. (See "THE SCHOOL DISTRICT – Population" herein.)
[b] The District's full value of taxable real estate for the 2023-2024 fiscal year is $527,529,598. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" herein for the calculation of Net Indebtedness.
[d] Estimated net overlapping indebtedness is $1,220,440. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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 in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. 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. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow 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 impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. 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. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also "THE SCHOOL DISTRICT - State Aid").

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

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

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly 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 exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, 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, 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 owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the 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, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

LITIGATION

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

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

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

Historical Compliance

Due to a clerical error, the District missed two interest payments that were due on December 15, 2023 for their 2012 and 2021 outstanding bonds. The payments were made on January 2, 2024, and a Material Event Notice was filed to the Electronic Municipal Market Access System ("EMMA").

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

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

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

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Eben M. Bullock, Superintendent of Schools, 95 West Main Street, Sidney, New York 13838, Phone: (607) 561-7700 opt. 3, Fax: (607) 563-2386, Email: embullock@sidneycsd.org.

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

SIDNEY CENTRAL SCHOOL DISTRICT

Dated: July 2, 2024

KERRI GREEN
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 970,916	$ 2,955,270	$ 2,821,094	$ 4,190,923	$ 3,908,027
Restricted Cash	4,022,020	4,754,742	5,636,370	7,121,398	7,913,338
Taxes Receivable	-	-	-	-	-
Due from Other Governments	1,713,428	1,534,813	1,594,856	1,432,892	1,988,249
Due from Other Funds	3,128,225	289,611	203,654	85,208	756,720
Account Receivables	41,616	16,307	53,150	150,907	74,137
TOTAL ASSETS	$ 9,876,205	$ 9,550,743	$ 10,309,124	$ 12,981,328	$ 14,640,471
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 42,381	$ 37,739	$ 44,005	$ 38,716	$ 48,440
Accrued Liabilities	30,354	6,582	29,202	192,455	9,963
Due to Other Funds	921,763	165,004	197,032	977,537	2,625,829
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	914,313	742,216	791,179	826,186	937,733
Due to Employees' Retirement System	78,494	81,849	105,525	170,541	106,579
Accrued Interest on Bond Anticipation Notes	-	47,218	27,822	55,539	-
Deferred Revenues	-	-	-	123,837	17,957
Overpayments	240,275	240,275	240,688	-	-
Accrued Interest on Bond Anticipation Notes	275,854	303,575	77,023	-	-
TOTAL LIABILITIES	2,503,434	1,624,458	1,512,476	2,384,811	3,746,501
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	4,022,020	4,754,742	5,636,370	7,121,398	7,913,338
Assigned	1,507,262	1,270,588	1,422,326	1,753,380	1,102,349
Unassigned	1,843,489	1,900,955	1,737,952	1,721,739	1,878,283
TOTAL FUND EQUITY	7,372,771	7,926,285	8,796,648	10,596,517	10,893,970
TOTAL LIABILITIES and FUND EQUITY	$ 9,876,205	$ 9,550,743	$ 10,309,124	$ 12,981,328	$ 14,640,471

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 4,816,223	$ 4,843,909	$ 4,949,886	$ 5,135,733	$ 5,210,059
Real Property Tax Items	1,219,432	1,189,593	1,110,664	1,027,767	960,118
Charges for Services	226,179	289,046	166,570	182,824	61,689
Use of Money & Property	181,361	186,545	192,402	187,789	137,775
Sale of Property and Compensation for Loss	22,508	6,519	20,833	8,120	27,535
Miscellaneous	425,470	1,350,481	592,281	623,686	1,289,514
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	17,910,748	19,335,872	18,185,064	18,465,056	19,073,977
Revenues from Federal Sources	31,701	51,671	43,026	51,076	517,941
Total Revenues	$ 24,833,622	$ 27,253,636	$ 25,260,726	$ 25,682,051	$ 27,278,608
Other Sources:					
Interfund Transfers	850,000	850,000	50,000	-	50,000
Appropriated Reserves	-	-	-	-	-
Total Revenues and Other Sources	25,683,622	28,103,636	25,310,726	25,682,051	27,328,608
EXPENDITURES					
General Support	$ 4,493,089	$ 4,435,816	$ 4,143,730	$ 4,543,876	$ 4,400,215
Instruction	11,706,908	11,870,717	11,290,577	11,238,731	11,241,562
Pupil Transportation	1,198,443	762,480	711,088	858,416	1,212,580
Community Services	10,084	8,639	6,073	-	600
Employee Benefits	4,904,192	4,971,945	4,812,178	4,685,476	4,843,086
Debt Service	3,505,655	3,269,035	2,884,163	3,298,613	3,396,054
Total Expenditures	$ 25,818,371	$ 25,318,632	$ 23,847,809	$ 24,625,112	$ 25,094,097
Other Uses:					
Interfund Transfers	100,000	1,966,287	621,255	43,776	111,842
Tax Certiorari	-	-	-	-	-
BAN's Redeemed from Appropriations	-	815,000	288,148	142,800	322,800
Total Expenditures and Other Uses	25,918,371	28,099,919	24,757,212	24,811,688	25,528,739
Excess (Deficit) Revenues Over Expenditures	(234,749)	3,717	553,514	870,363	1,799,869
FUND BALANCE					
Fund Balance - Beginning of Year	7,603,803	7,369,054	7,372,771	7,926,285	8,796,648
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 7,369,054	$ 7,372,771	$ 7,926,285	$ 8,796,648	$ 10,596,517

Source: Audited financial reports of the 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 Original Budget	2023 Final Budget	2023 Actual	2024 Adopted Budget	2025 Adopted Budget
REVENUES					
Real Property Taxes	$ 5,193,619	$ 5,295,488	$ 5,297,407	$ 5,295,417	$ 5,466,378
Real Property Tax Items	972,986	871,117	866,634	861,593	820,635
Charges for Services	49,949	49,949	94,119	111,290	75,000
Use of Money & Property	123,592	123,592	208,604	123,592	132,813
Sale of Property and Compensation for Loss	4,500	4,625	18,072	4,625	4,625
Miscellaneous	439,972	439,847	826,456	519,195	395,897
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	20,585,066	20,585,066	20,898,994	23,204,146	23,891,142
Revenues from Federal Sources	27,525	27,525	98,000	35,000	35,000
Total Revenues	$ 27,397,209	$ 27,397,209	$ 28,308,286	$ 30,154,858	$ 30,821,491
Other Sources:					
Interfund Transfers	150,000	150,000	55,000	150,000	250,000
Appropriated from Debt Service	-	1,067,249	-	-	-
Appropriated Fund Balance	1,250,000	1,753,380	-	1,000,000	1,000,000
Total Revenues and Other Sources	28,797,209	30,367,838	28,363,286	31,304,858	32,071,491
EXPENDITURES					
General Support	$ 5,112,187	$ 5,686,288	$ 5,364,519	$ 6,000,798	$ 6,073,464
Instruction	13,206,886	13,042,225	12,070,678	14,418,806	15,220,162
Pupil Transportation	1,265,130	1,537,642	1,304,447	1,355,870	1,592,378
Community Services	5,625	8,725	6,502	5,625	7,000
Employee Benefits	5,669,000	5,384,054	4,655,488	5,962,400	6,210,487
Debt Service	3,525,881	3,257,039	3,213,550	3,338,180	2,728,000
Total Expenditures	$ 28,784,709	$ 28,915,973	$ 26,615,184	$ 31,081,679	$ 31,831,491
Other Sources and Uses:					
Interfund Transfers	12,500	1,017,500	1,016,284	223,178	240,000
Carryover Encumbrances	-	-	-	-	-
BANs Redeemed from Appropriations	-	434,365	434,365	-	-
Total Expenditures and Other Uses	28,797,209	30,367,838	28,065,833	31,304,858	32,071,491
Excess (Deficit) Revenues Over Expenditures	-	-	297,453	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	10,596,517	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 10,893,970	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 1,630,000	$ 741,150.00	$ 2,371,150.00
2026	1,710,000	659,650.00	2,369,650.00
2027	1,790,000	580,350.00	2,370,350.00
2028	1,875,000	490,850.00	2,365,850.00
2029	1,980,000	400,550.00	2,380,550.00
2030	1,530,000	305,300.00	1,835,300.00
2031	1,275,000	228,800.00	1,503,800.00
2032	1,195,000	183,850.00	1,378,850.00
2033	1,145,000	141,000.00	1,286,000.00
2034	390,000	83,750.00	473,750.00
2035	405,000	64,250.00	469,250.00
2036	430,000	44,000.00	474,000.00
2037	450,000	22,500.00	472,500.00
TOTALS	$ 15,805,000	$ 3,946,000.00	$ 19,751,000.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2016 DASNY Principal	2016 DASNY Interest	2016 DASNY Total	2021 Refunding Principal	2021 Refunding Interest	2021 Refunding Total
2025	$ 575,000	$ 167,800.00	$ 742,800.00	$ 105,000	$ 20,800.00	$ 125,800.00
2026	605,000	139,050.00	744,050.00	105,000	15,550.00	120,550.00
2027	630,000	115,000.00	745,000.00	110,000	10,300.00	120,300.00
2028	660,000	83,500.00	743,500.00	115,000	4,800.00	119,800.00
2029	695,000	50,500.00	745,500.00	125,000	2,500	127,500
2030	315,000	15,750.00	330,750.00	-	-	-
TOTALS	$ 3,480,000	$ 571,600.00	$ 4,051,600.00	$ 560,000	$ 53,950.00	$ 613,950.00

Fiscal Year Ending June 30th	2019 DASNY Principal	2019 DASNY Interest	2019 DASNY Total	2023 DASNY Principal	2023 DASNY Interest	2023 DASNY Total
2025	$ 700,000	$ 330,800.00	$ 1,030,800.00	$ 250,000	$ 221,750.00	$ 471,750.00
2026	735,000	295,800.00	1,030,800.00	265,000	209,250.00	474,250.00
2027	775,000	259,050.00	1,034,050.00	275,000	196,000.00	471,000.00
2028	810,000	220,300.00	1,030,300.00	290,000	182,250.00	472,250.00
2029	855,000	179,800.00	1,034,800.00	305,000	167,750.00	472,750.00
2030	895,000	137,050.00	1,032,050.00	320,000	152,500.00	472,500.00
2031	940,000	92,300.00	1,032,300.00	335,000	136,500.00	471,500.00
2032	845,000	64,100.00	909,100.00	350,000	119,750.00	469,750.00
2033	775,000	38,750.00	813,750.00	370,000	102,250.00	472,250.00
2034	-	-	-	390,000	83,750.00	473,750.00
2035	-	-	-	405,000	64,250.00	469,250.00
2036	-	-	-	430,000	44,000.00	474,000.00
2037	-	-	-	450,000	22,500.00	472,500.00
TOTALS	$ 7,330,000	$ 1,617,950.00	$ 8,947,950.00	$ 4,435,000	$ 1,702,500	$ 6,137,500

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

(m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a "financial obligation" (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note 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 Note.

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.

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 Note; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Note 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 Note (including holders of beneficial interests in the Note). The right of holders of the Note 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 Note nor entitle any holder of the Note to recover monetary damages.

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

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

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SIDNEY CENTRAL SCHOOL DISTRICT
DELAWARE COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2023

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

SIDNEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

SIDNEY CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS

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

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report

Board of Education
Sidney Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023, on our consideration of the Sidney Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sidney Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sidney Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 10, 2023

Utica, New York

The Sidney Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2023 and 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

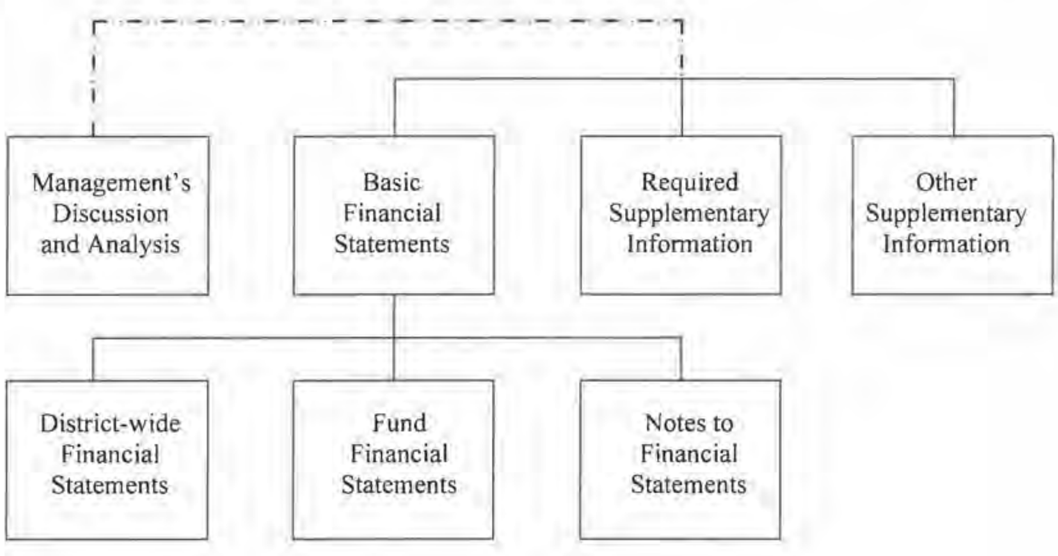
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- The District's total net position, as reflected in the District-wide financial statements, increased by $2,125,976.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $30,457,344. This amount was offset by $150,073 in program charges for services and $4,002,779 by operating grants. General revenues of $28,430,468 amounted to 87.3% of total revenues.
- State and federal revenue increased by $1,405,076 to $20,996,994 in 2023 from $19,591,918 in 2022. This is mainly due to an increase in State Foundation Aid and State Lottery Aid.
- The total fund balance of the governmental funds, as reflected in the fund financial statements on pages 16 and 18, increased by $6,186,238 to $12,104,509. This was due to an excess of revenues compared to expenditures based on the modified accrual basis of accounting, which includes the issuance of $4,610,000 in DASNY revenue bonds.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-wide Financial Statements

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

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

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows and outflows, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

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

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

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

Governmental Funds

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

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

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

Fiduciary Funds

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The Districts total net position increased by $2,125,976 between fiscal year 2023 and 2022. A summary of the District's Statement of Net Position for June 30, 2023 and 2022 is as follows:

	2023	2022	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 16,049,992	$ 14,823,334	$ 1,226,658	8.3%
Net Pension Asset - Proportionate Share		8,123,519	(8,123,519)	(100.0%)
Right to Use Leased Assets (Net of Amortization)	441,141	269,409	171,732	63.7%
Capital Assets (Net of Accumulated Depreciation)	51,501,433	51,877,915	(376,482)	(0.7%)
Total Assets	67,992,566	75,094,177	(7,101,611)	(9.5%)
Deferred Outflows of Resources	8,253,894	7,642,984	610,910	8.0%
Current and Other Liabilities	3,967,790	8,810,028	(4,842,238)	(55.0%)
Net Pension Liability - Proportionate Share	2,790,186		2,790,186	100.0%
Non-Current Liabilities	31,493,133	27,495,071	3,998,062	14.5%
Total Liabilities	38,251,109	36,305,099	1,946,010	5.4%
Deferred Inflows of Resources	2,366,428	12,929,115	(10,562,687)	(81.7%)
Net Position				
Net Investment in Capital Assets	29,350,408	28,473,901	876,507	3.1%
Restricted	8,931,401	7,465,365	1,466,036	19.6%
Unrestricted (Deficit)	(2,652,886)	(2,436,319)	(216,567)	(8.9%)
Total Net Position	$ 35,628,923	$ 33,502,947	$ 2,125,976	6.3%

Current and Other Assets increased by $1,226,658, as compared to the prior year. The increase is primarily the result of the issuance of a BAN right before the end of the year resulting in excess cash in the Capital Fund.

The reporting for both the New York State Teacher's and Employee's Retirement System's proportionate share changed from an asset in the prior year to a liability due to funding declines in both plans and a change in actuarial assumptions.

Capital assets, net of accumulated depreciation, decreased by $376,482, as compared to the prior year. This decrease is primarily due to depreciation expense exceeding capital additions for the year. Right to Use Leased Assets, net of amortization increased $171,732, as compared to the prior year. This increase is due to lease additions exceeding amortization expense for the year. Note 6 to the financial statements provides additional information.

Deferred Outflows of Resources increased by $610,910 as compared to the prior year. The increase is primarily due to the change in retirement system and OPEB deferred outflows due to changes in assumptions and earnings on plan investments.

Current and Other Liabilities decreased by $4,842,238, as compared to the prior year. The decrease is primarily the result of the pay down of a BAN with permanent DASNY serial bonds issued in June 2023.

Non-current liabilities increased by $3,998,062, as compared to the prior year. This is primarily due to the issuance of new serial bonds in the amount of $4,610,000 with a deferred premium of $641,012 offset by principal payments on serial bonds of $2,205,000. Additionally, there was an increase in the OPEB liability of $903,659.

Deferred Inflows of Resources decreased by $10,562,687, as compared to the prior year. This decrease is primarily due to the change in the retirement system and OPEB deferred inflows due to actuarial changes of assumptions and other inputs.

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

The restricted net position at June 30, 2023 was $8,931,401, which represents the amount of the District's reserves and other restricted amounts in the General, Miscellaneous Special Revenue, Debt Service, and Capital Funds.

The unrestricted net position at June 30, 2023 is a deficit of $2,652,886, which represents the amount by which the District's assets other than capital assets and deferred outflows of resources were less than the District's liabilities and deferred inflows of resources, excluding debt related to capital construction and capital assets and restricted assets. The deficit is primarily due to the recognition of the other postemployment benefit liability in the amount of $8,837,290.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2023 and 2022 is as follows:

Revenues	2023	2022	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 150,073	$ 106,313	$ 43,760	41.2%
Operating Grants	4,002,779	2,870,321	1,132,458	39.5%
General Revenues				
Property Taxes and STAR	6,164,041	6,170,177	(6,136)	(0.1%)
State and Federal Sources	20,996,994	19,591,918	1,405,076	7.2%
Other	1,269,433	1,858,273	(588,840)	(31.7%)
Total Revenues	32,583,320	30,597,002	1,986,318	6.5%
Expenses				
General Support	6,647,127	5,784,015	863,112	14.9%
Instruction	20,357,260	16,998,063	3,359,197	19.8%
Pupil Transportation	1,630,692	1,582,238	48,454	3.1%
Community Service	9,773	600	9,173	1528.8%
Debt Service-Unallocated Interest	746,087	750,972	(4,885)	(0.7%)
Food Service Program	1,066,405	941,312	125,093	13.3%
Total Expenses	30,457,344	26,057,200	4,400,144	16.9%
Total Change in Net Position	$ 2,125,976	$ 4,539,802	$ (2,413,826)	(53.2%)

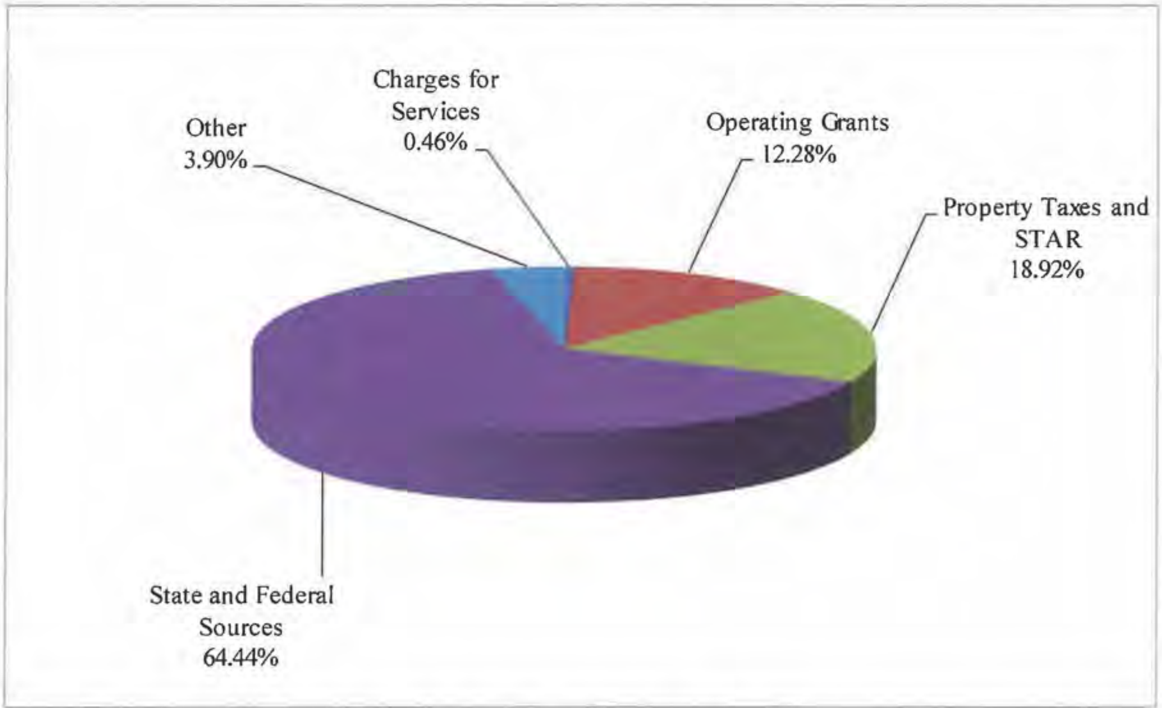
The District's revenues increased by 6.5% in 2023 or $1,986,318. The major factors that contributed to the increase were:

- Operating Grants increased $1,132,458 mainly due to increased spending of the Education Stabilization Fund grants.
- State and Federal Sources increased by $1,405,076 primarily due to an increase in State Foundation Aid and State Lottery Aid.

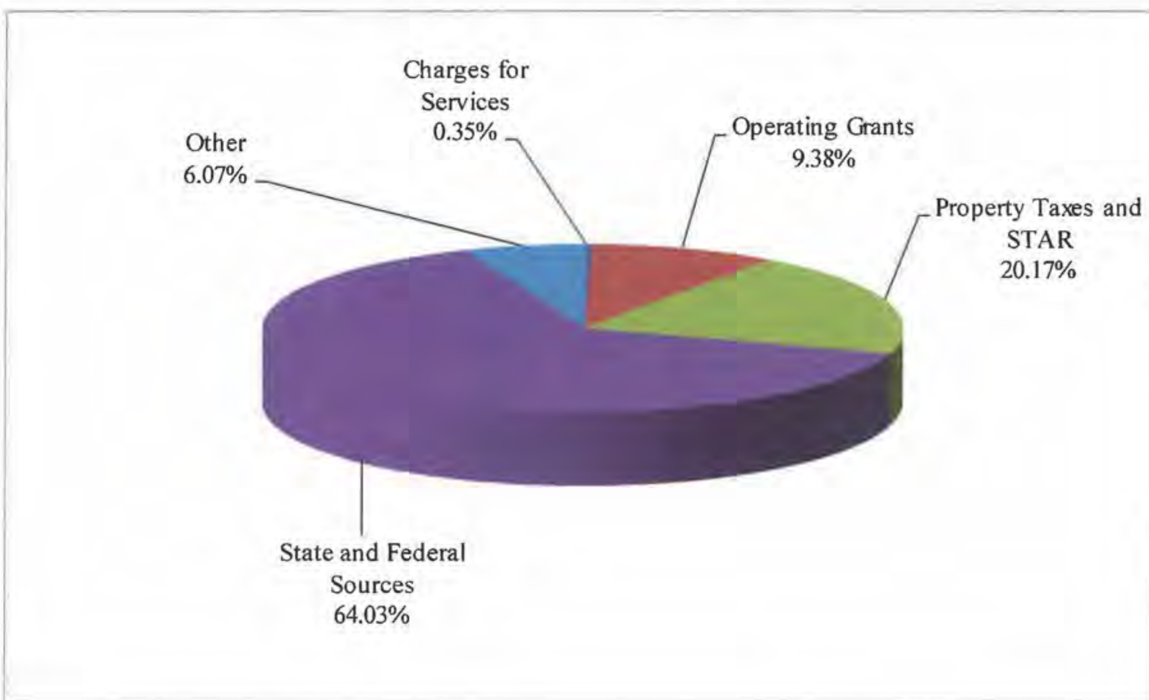
The District's expenses for the year increased by $4,400,144 primarily in Instruction and General Support due to an increase in OPEB expense and expenses for the Retirement Systems compared to prior year.

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

For the Year Ended June 30, 2023

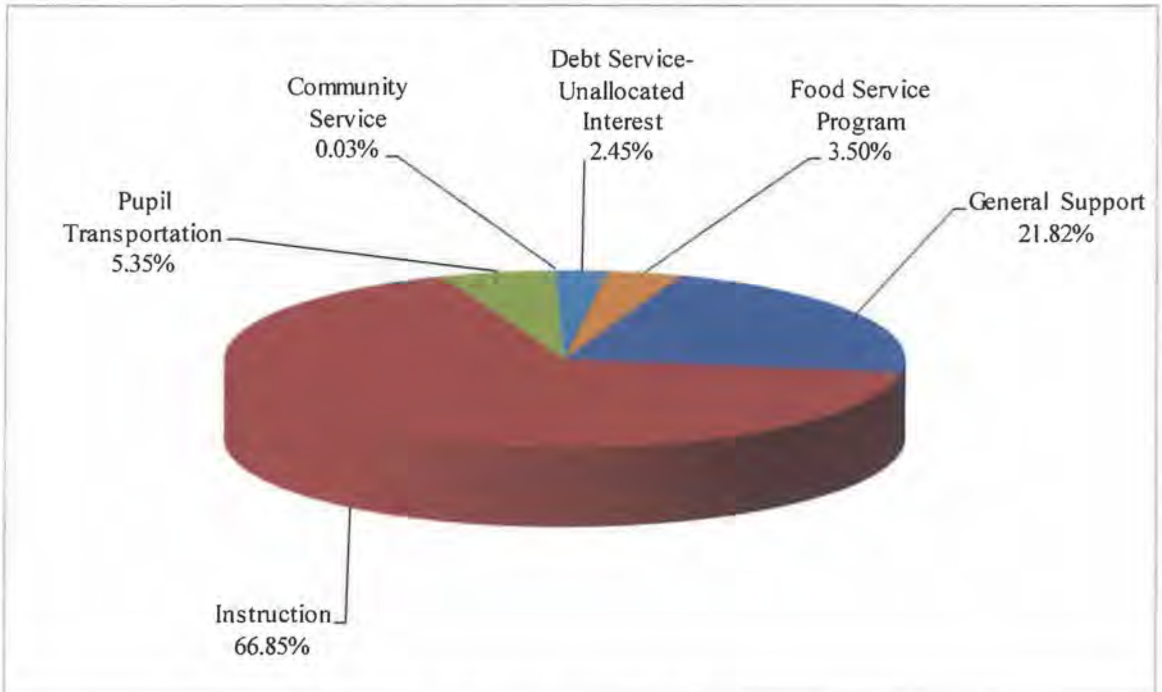


For the Year Ended June 30, 2022

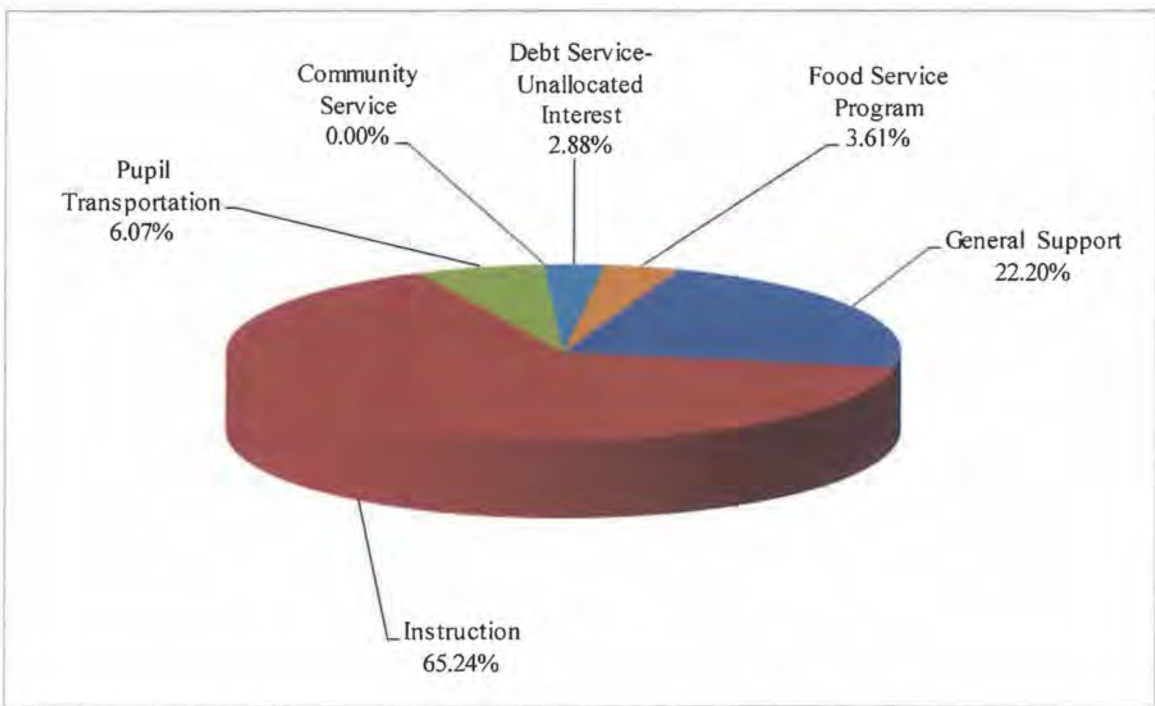


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2023



For the Year Ended June 30, 2022



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2023, the District's governmental funds reported a combined fund balance of $12,104,509 which is an increase of $6,186,238 compared to the prior year. This incease is due to an excess of revenues over expenditures for the year, primarily in the Capital Fund because of the issuance of permanent financing. A summary of the change in fund balance by fund is as follows:

	2023	2022	Increase (Decrease)
General Fund			
Restricted Funds			
Retirement Contribution Reserve	$ 2,126,273	$ 1,960,890	$ 165,383
Property Loss Reserve	116,105	116,105	
Liability Reserve	659,644	651,715	7,929
Tax Certiorari Reserve	100,939	166,743	(65,804)
Employee Benefit Accrued Liability Reserve	1,200,001	1,200,001	
Capital Reserve	3,333,916	2,652,115	681,801
Repairs Reserve	160,173	160,141	32
Unemployment Insurance Reserve	216,287	213,688	2,599
Total Restricted Funds	7,913,338	7,121,398	791,940
Assigned			
General Support	7,329	107,694	(100,365)
Instruction	16,991	310,557	(293,566)
Pupil Transportation	78,029	85,130	(7,101)
Appropriated for Subsequent Year's Budget	1,000,000	1,249,999	(249,999)
Total Assigned	1,102,349	1,753,380	(651,031)
Unassigned			
Unassigned	1,878,283	1,721,739	156,544
Total Unassigned	1,878,283	1,721,739	156,544
Total General Fund	10,893,970	10,596,517	297,453
School Lunch Fund			
Nonspendable	19,588	23,383	(3,795)
Assigned	259,217	330,909	(71,692)
Total School Lunch Fund	278,805	354,292	(75,487)
Special Aid Fund			
Assigned	96,035	114,809	(18,774)
Miscellaneous Special Revenue Fund			
Restricted	78,664	85,257	(6,593)
Debt Service Fund			
Restricted	251,176	237,681	13,495
Capital Projects Fund			
Restricted	688,223	21,029	667,194
Unassigned (Deficit)	(182,364)	(5,491,314)	5,308,950
Total Capital Project Fund (Deficit)	505,859	(5,470,285)	5,976,144
Total Fund Balance - All Funds	$ 12,104,509	$ 5,918,271	$ 6,186,238

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2022-2023 Budget

The District's General Fund adopted budget for the year ended June 30, 2023, was $28,797,209. This is an increase of $1,084,292 compared to the prior years adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was $6,166,605 in estimated property taxes and State Aid in the amount of $20,585,066.

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

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

Opening, Unassigned Fund Balance	$	1,721,739
Revenues and Transfers over Budget		816,077
Expenditures, Encumbrances, and Transfers under Budget		2,199,656
Increase in Appropriations from Amendments		(1,067,249)
Net Increase in Restricted Funds		(791,940)
Appropriated for June 30, 2024 Budget		(1,000,000)
Closing, Unassigned Fund Balance	$	1,878,283

Opening, Unassigned Fund Balance

The $1,721,739 shown in the table is the portion of the District's June 30, 2022, fund balance that was retained as unassigned. This was 5.98% of the District's 2022-2023 approved operating budget.

Revenues and Transfers Over Budget

The 2022-2023 budget for revenues and transfers was $27,547,209. The actual revenues and transfers received for the year were $28,363,286. The actual revenue over the estimated or budgeted revenue was $816,077. This variance contributes directly to the change to the unassigned portion of the General Fund fund balance from June 30, 2022 to June 30, 2023.

Expenditures, Encumbrances, and Other Financing Uses Under Budget

The 2022-2023 budget for expenditures, encumbrances, and other financing uses was $30,367,838. The actual expenditures, encumbrances, and other financing uses were $28,168,182. The final budget was under expended by $2,199,656. This under expenditure contributes to the change to the unassigned portion of the General Fund balance from June 30, 2022 to June 30, 2023.

Net Increase in Restricted Funds

The School District's restricted funds in the General Fund increased by $791,940, through transfers and expenditures approved by the Board of Education.

Appropriated Fund Balance

The District has chosen to use $1,000,000 of its available June 30, 2023, fund balance to partially fund its 2023-2024 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2023-2024 fiscal year with an unassigned fund balance of $1,878,283. This is an increase of $156,544 compared to the unassigned balance from the prior year. The unassigned fund balance subject to Section 1318 of Real Property Tax Law was 6.00% of the District's approved 2023-2024 operating budget.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2023, the District had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net decrease in capital assets is due to depreciation expense exceeding capital additions for the year ended June 30, 2023. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2023 and 2022, is as follows:

	2023	2022	Increase (Decrease)
Land	$ 75,482	$ 75,482	$
Construction in Progress	738,122	6,131,343	(5,393,221)
Buildings and Improvements	48,134,330	43,439,076	4,695,254
Furniture, Equipment, and Vehicles	2,553,499	2,232,014	321,485
Capital Assets, Net	$ 51,501,433	$ 51,877,915	$ (376,482)

B. Debt Administration

At June 30, 2023, the District had total bonds payable of $17,789,739. A summary of the outstanding bonds at June 30, 2023 and 2022 is as follows:

Issue Date	Interest Rate	2023	2022	Increase (Decrease)
6/15/2012	1.75%-5.0%	$ 489,739	$ 1,444,739	$ (955,000)
6/15/2016	4.0%-5.0%	4,030,000	4,550,000	(520,000)
6/17/2019	3.0%-5.0%	8,000,000	8,635,000	(635,000)
6/15/2023	5.00%	4,610,000		4,610,000
3/11/2021	1.35%	660,000	755,000	(95,000)
Total		$ 17,789,739	$ 15,384,739	$ 2,405,000

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District appropriated $1,000,000 of the June 30, 2023 fund balance to the 2023-2024 budget. The voters passed the 2023-2024 budget in May of 2023 with total appropriations of $31,304,858.

The District continues to provide many opportunities for the students and community in a rural, impoverished region, beyond the primary goal of developing students educationally to be able to contribute to society. Foundation aid increases will assist in offsetting increases with medical insurance and retirement contributions. The District continues to establish reserves for future capital projects and to offset any unexpected decreases in state aid.

8. CONTACTING THE DISTRICT

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

Sidney Central School District
95 West Main Street
Sidney, New York 13838

SIDNEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

Assets		
Cash and Cash Equivalents	$	4,155,576
Restricted Cash and Cash Equivalents		9,274,372
Receivables		
Other Governments		2,462,076
Lease Receivable		17,957
Other Receivables		95,423
Inventory		19,588
Other Assets		25,000
Right to Use Leased Assets, Net of Amortization		441,141
Capital Assets (Net of Accumulated Depreciation)		51,501,433
Total Assets		67,992,566
Deferred Outflows of Resources		
Deferred Charge from Refunding of Debt (Net of Amortization)		199,769
Deferred Outflows - Pensions		5,739,096
Deferred Outflows - OPEB		2,315,029
Total Deferred Ouflows of Resources		8,253,894
Total Assets and Deferred Outflows	$	76,246,460
Liabilities		
Accounts Payable	$	60,517
Retainage Payable		30
Accrued Liabilities		74,015
Due To		
Other Governments		50
Teachers' Retirement System		937,733
Employees' Retirement System		106,579
Fiduciary Fund		7,500
Bond Anticipation Notes		2,612,235
Unearned Revenue		169,131
Net Pension Liability - Proportionate Share		2,790,186
Noncurrent Liabilities		
Due Within One Year		
Bonds and Lease Payable		2,258,883
Premium on Bond		165,440
Due in More Than One Year		
Bonds and Lease Payable		15,823,950
Premium on Bond		2,943,569
Other Postemployment Benefits		8,837,290
Compensated Absences		1,464,001
Total Liabilities		38,251,109
Deferred Inflows of Resources		
Deferred Inflows - Leases		17,957
Deferred Inflows- OPEB		1,789,286
Deferred Inflows - Pensions		559,185
Total Deferred Inflows of Resources		2,366,428
Total Liabilities and Deferred Inflows		40,617,537
Net Position		
Net Investment in Capital Assets		29,350,408
Restricted		8,931,401
Unrestricted (Deficit)		(2,652,886)
Total Net Position		35,628,923
Total Liabilities, Deferred Inflows, and Net Position	$	76,246,460

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

SIDNEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		Program Revenues		Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 6,647,127	$	$	$ (6,647,127)
Instruction	20,357,260	94,119	3,104,791	(17,158,350)
Pupil Transportation	1,630,692			(1,630,692)
Community Service	9,773			(9,773)
Debt Service - Unallocated Interest	746,087			(746,087)
Food Service	1,066,405	55,954	897,988	(112,463)
Total Functions/Programs	$ 30,457,344	$ 150,073	$ 4,002,779	(26,304,492)
General Revenues				
Real Property Taxes				5,297,407
STAR and Other Real Property Tax Items				866,634
Use of Money and Property				225,350
Sale of Property and Compensation for Loss				18,072
State and Federal Sources				20,996,994
Miscellaneous				1,026,011
Total General Revenues				28,430,468
Change in Net Position				2,125,976
Net Position, Beginning of Year				33,502,947
Net Position, End of Year				$ 35,628,923

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

SIDNEY CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	$ 3,908,027	$ 105,538	$ 142,011	$	$	$	$ 4,155,576
Restricted Cash and Cash Equivalents	7,913,338			79,759	251,176	1,030,099	9,274,372
Receivables							
Other Governments	1,988,249	77,539	379,488			16,800	2,462,076
Due from Other Funds	756,720	125,829				2,601,030	3,483,579
Lease Receivable	17,957						17,957
Other Receivables	31,180		63,990	253			95,423
Inventory		19,588					19,588
Other Assets	25,000						25,000
Total Assets	$ 14,640,471	$ 328,494	$ 585,489	$ 80,012	$ 251,176	$ 3,647,929	$ 19,533,571
Liabilities							
Payables							
Accounts Payable	$ 48,440	$ 20	$ 2	$ 1,345	$	$ 10,710	$ 60,517
Retainage Payable						30	30
Accrued Liabilities	9,963	5,014	18,774				33,751
Due To							
Other Governments		50					50
Other Funds	2,625,829	44,605	301,547	3		519,095	3,491,079
Teachers' Retirement System	937,733						937,733
Employees' Retirement System	106,579						106,579
Bond Anticipation Note						2,612,235	2,612,235
Unearned Revenue			169,131				169,131
Total Liabilities	3,728,544	49,689	489,454	1,348		3,142,070	7,411,105
Deferred Inflow of Resources - Leases	17,957						17,957
Fund Balance							
Nonspendable		19,588					19,588
Restricted	7,913,338			78,664	251,176	688,223	8,931,401
Assigned	1,102,349	259,217	96,035				1,457,601
Unassigned (Deficit)	1,878,283					(182,364)	1,695,919
Total Fund Balance	10,893,970	278,805	96,035	78,664	251,176	505,859	12,104,509
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	$ 14,640,471	$ 328,494	$ 585,489	$ 80,012	$ 251,176	$ 3,647,929	$ 19,533,571

SIDNEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Governmental Fund Balances		$ 12,104,509
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building, acquiring, and leasing capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets and right to use assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
Original Cost of Right to Use Assets	1,627,005	
Accumulated Amortization	(1,185,864)	
Original Cost of Capital Assets	82,580,027	
Accumulated Depreciation	(31,078,594)	
		51,942,574
Proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Deferred Outflows - Pensions	5,739,096	
Net Pension Asset (Liability) - Proportionate Share	(2,790,186)	
Deferred Inflows - Pensions	(559,185)	
		2,389,725
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds Payable	(17,789,739)	
Lease Liability	(293,094)	
Unamortized Premiums on Bonds	(3,020,460)	
Premium from Refunding of Debt	(88,549)	
Deferred Charge from Refunding of Debt	199,769	
Accrued Interest on Bonds Payable	(40,264)	
Other Post Employment Liabilities	(8,837,290)	
Deferred Outflows - OPEB	2,315,029	
Deferred Inflows - OPEB	(1,789,286)	
Compensated Absences Payable	(1,464,001)	
		(30,807,885)
Total Net Position		$ 35,628,923

SIDNEY CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	$ 5,297,407	$	$	$	$	$	$ 5,297,407
STAR and Other Real Property Tax Items	866,634						866,634
Charges for Services	94,119						94,119
Use of Money and Property	208,604	35			654,507	3,216	866,362
Sale of Property and Compensation for Loss	18,072						18,072
Miscellaneous	826,456	75	162,057	37,423			1,026,011
State Aid	20,898,994	71,264	326,966				21,297,224
Federal Aid	98,000	826,724	2,777,825				3,702,549
School Lunch Sales		55,954					55,954
Total Revenues	28,308,286	954,052	3,266,848	37,423	654,507	3,216	33,224,332
Expenditures							
General Support	5,364,519		(529,577)	44,016		2,065,348	6,944,306
Instruction	12,070,678		2,373,698				14,444,376
Pupil Transportation	1,304,447		58,670				1,363,117
Community Service	6,502						6,502
Food Service Program		822,053					822,053
Employee Benefits	4,655,488	207,486	104,204				4,967,178
Debt Service - Principal	2,370,523						2,370,523
Debt Service - Interest	843,027						843,027
Total Expenditures	26,615,184	1,029,539	2,006,995	44,016		2,065,348	31,761,082
Excess (Deficit) Revenues Over Expenditures	1,693,102	(75,487)	1,259,853	(6,593)	654,507	(2,062,132)	1,463,250
Other Financing Sources (Uses)							
Bond Issuance Costs					(136,012)		(136,012)
Proceeds of Debt						4,859,000	4,859,000
BANs Redeemed from Appropriations	(434,365)					434,365	
Transfers from Other Funds	55,000		16,284			2,744,911	2,816,195
Transfers to Other Funds	(1,016,284)		(1,294,911)		(505,000)		(2,816,195)
Total Other Financing Sources	(1,395,649)		(1,278,627)		(641,012)	8,038,276	4,722,988
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	297,453	(75,487)	(18,774)	(6,593)	13,495	5,976,144	6,186,238
Fund Balance (Deficit), Beginning of Year	10,596,517	354,292	114,809	85,257	237,681	(5,470,285)	5,918,271
Fund Balance, End of Year	$ 10,893,970	$ 278,805	$ 96,035	$ 78,664	$ 251,176	$ 505,859	$ 12,104,509

SIDNEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net Changes in Fund Balance - Total Governmental Funds		$ 6,186,238
Capital Outlays to purchase, or build or lease capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation and amortization exceeded capital outlays in the period.		
Depreciation and Amortization Expense	(1,677,561)	
Capital Outlays	1,472,811	(204,750)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Proceeds of Serial Bonds and Leases	(4,859,000)	
Premium on DASNY Debt Issuance	(641,012)	
Bond Issuance Costs on DASNY Debt Issuance	136,012	
Amortization of Deferred Premium and Deferred Charge	108,402	
Repayment of Bond and Lease Principal	2,370,523	(2,885,075)
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Serial Bonds	(11,462)	
Other Postemployment Benefit Expense	(155,107)	
Change in Compensated Absences	(84,567)	(251,136)
Changes in the proportionate share of the net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources, and therefore, are not reported as revenues or expenditures in the governmental funds.		
Retirement Systems	(719,301)	(719,301)
Change in Net Position Governmental Activities		$ 2,125,976

SIDNEY CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

		Custodial Fund
Assets		
Cash and Cash Equivalents - Restricted	$	46,870
Due from Other Funds		7,500
Total Assets	$	54,370
Liabilities		
Accounts Payable	$	146
Net Position		
Restricted for Extraclassroom Activities		54,224
Total Liabilities and Net Position	$	54,370

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

SIDNEY CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

	Custodial Fund
Additions	
Extraclassroom - Receipts	$ 131,529
Real Property Tax Collected for Library	577,610
Total Additions	709,139
Deductions	
Extraclassroom - Disbursements	127,624
Real Property Tax Paid to Library	577,610
Total Deductions	705,234
Change in Net Position	3,905
Net Position, Beginning of Year	50,319
Net Position, End of Year	$ 54,224

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

Extraclassroom Activity Funds

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

Joint Venture

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

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

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

Basis of Presentation

(a) District-Wide Statements

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

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

(b) Fund Financial Statements

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

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds*:* These funds account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are three classes of special revenue funds:

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

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

Miscellaneous Special Revenue Fund: This Fund is used to account for arrangements in which principal and income benefits annual third-party awards, student athletics, other student programs, and scholarships. Established criteria govern the use of the funds and members of the district or representatives of the donors may serve on committees to determine who benefits.

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

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

(c) Fiduciary Funds

This fund is used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District, and are not available to be used. There is one class of fiduciary funds:

Custodial Funds: These funds are strictly custodial in nature. Assets are held by the School District as agent for various student groups or extraclassroom activity funds and property taxes collected for the library.

Measurement Focus and Basis of Accounting

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

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

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

Estimates

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

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period September 1 to October 31. The County of Delaware subsequently enforces uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

Receivables

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

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first is related to pensions reported in the District-wide Statement of

Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years. The third is a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Interfund Transactions

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual transactions during the year are shown in Note 13 to the financial statements.

Inventories

The inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value which approximates market. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources.

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

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002 estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of $2,000, (the dollar value above which asset acquisitions are added to the capital asset accounts). The School District uses the straight-line method of depreciation over the following estimated useful lives of capital assets reported in the District-wide statements:

Buildings and Improvements	40 Years
Furniture, Equipment and Vehicles	5-15 Years

Right to Use Leased Assets

The School District has recorded right to use lease assets as a result of implementing GASB 87 -Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability or asset and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. The third item is related to agreements in which the District acts as a lessor and is deferring any lease receivable and initial payments received over the term of the lease.

Vested Employee Benefits – Compensated Absences

The School District employees are granted vacation leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to certain payments for the accumulated days as provided in contractual agreements.

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

Payment of vacation and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation leave, sick leave, and compensated absences when such payment becomes due.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Short-Term Debt

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

Other Benefits

Eligible School District employees participate in the New York State Employees' Retirement System or the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 11).

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

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

Equity classifications

(a) District-Wide Financial Statements

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

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

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

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

(b) Fund Statements

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

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventories in the School Lunch Fund.

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements. The School District has established the following restricted fund balances:

- ***Retirement Contribution Reserve***

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

- ***Property Loss and Liability Reserve***

  Property Loss Reserve and Liability Reserves (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. These reserves are accounted for in the General Fund.

- ***Tax Certiorari Reserve***

  Tax Certiorari Reserve (Education Law §3651.1-a) is used to pay anticipated judgments and claims arising out of tax certiorari proceedings. Voter approval is not required provided that the monies held do not exceed the anticipated needs of the School District. If no voter approval is obtained, then any excess resources must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the General Fund.

- ***Reserve for Employee Benefit Accrued Liability***

  Reserve for Employee Benefit Accrued Liability is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

- ***Reserve for Repairs***

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

- ***Unemployment Insurance Reserve***

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

- ***Reserve for Capital Projects***

  Capital reserve (Education law §3651) is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. Total expenditures over the life of each capital reserve may not exceed the voter approved maximum. Funds may be transferred to other reserves only with voter approval. The reserve is accounted for in the General Fund.

- ***Reserve for Student Athletics, Programs and Scholarships***

  This reserve is used to account for and report the financial resources that are used to pay the costs of student athletics, student programs and student scholarships. The reserve is accounted for in the Miscellaneous Special Revenue Fund.

- ***Debt Service Fund***

  This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

- ***Capital Fund***

  This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

Unrestricted Resources

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

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2023.

- ***Assigned*** – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General Fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund resources that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund. The unassigned also includes:

(c) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of expenditures to which the fund balance classification will be charged.

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

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

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

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

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

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

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Pension Differences

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

(e) Employee Benefit Allocation

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

(f) OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. At June 30, 2023, the School District's General Fund unassigned fund balance is 6.00% of the 2023-2024 budget.

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2022-2023 school year was in compliance with the NYS Tax Cap Limit.

Statutory Debt Limit

At June 30, 2023, the School District was in compliance with the statutory debt limit.

Budgetary Procedures and Budgetary Accounting

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The budget and actual comparison for the Special Revenue Funds (if any) reflects budgeted and actual amounts only for funds with legally authorized (appropriated) budgets.

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

Encumbrances

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

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

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

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

As of June 30, 2023, the School District had bank balances of $13,751,714 of which $500,000 was fully insured by the FDIC. The amount of $8,800,095 was exposed to credit risk and collateralized by securities held by an agent of the pledging financial institution in the School District's name. A remaining amount of $4,451,619 was FDIC insured through a reciprocating agreement with other banks.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $7,913,338 in the General Fund represents the following:

Reserve for Retirement Contribution	$	2,126,273
Reserve for Property Loss		116,105
Reserve for Liabilities		659,644
Reserve for Tax Certiorari		100,939
Reserve for Employee Benefit Accrued Liability		1,200,001
Reserve for Capital		3,333,916
Reserve for Repairs		160,173
Reserve for Unemployment Insurance		216,287
Total Reserves	$	7,913,338

Restricted cash and cash equivalents of $251,176 in the Debt Service Fund is restricted for future debt service.

Restricted cash and cash equivalents of $79,759 in the Miscellaneous Special Revenue Fund is restricted for Student Athletics, Programs and Scholarships.

Restricted cash and cash equivalents of $1,030,099 in the Capital Project Fund represents funds restricted for current and future capital projects.

Restricted cash and cash equivalents of $46,870 in the Custodial Fund represents funds held for the District's Extraclassroom Activity Funds.

5. PARTICIPATION IN BOCES

During the year, the School District was billed $6,177,233 for BOCES' administrative and program costs. Financial statements for the BOCES are available from the BOCES' administrative office at 6678 County Road 32, Norwich, New York 13815.

During the year ended June 30, 2023, the School District issued no debt on behalf of BOCES. However, during 2007, the BOCES issued $47,755,000 in Revenue Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a payment included in the administrative budget of the BOCES over the term of the bonds. During 2023, $2,735,000 in principal payments were made and the outstanding balance at June 30, 2023, was $15,880,000. The Bonds were refinanced through DASNY in June 2015, to reduce the debt service expenditures over the remaining life of the bonds.

6. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 75,482	$	$	$ 75,482
Construction in Progress	6,131,343	557,277	5,950,498	738,122
Total	6,206,825	557,277	5,950,498	813,604
Capital Assets Being Depreciated				
Buildings and Improvements	68,068,535	5,950,498		74,019,033
Furniture, Equipment and Vehicles	8,694,572	527,110	1,474,292	7,747,390
Total	76,763,107	6,477,608	1,474,292	81,766,423
Accumulated Depreciation				
Buildings and Improvements	24,629,459	1,255,244		25,884,703
Furniture, Equipment and Vehicles	6,462,558	205,625	1,474,292	5,193,891
Total	31,092,017	1,460,869	1,474,292	31,078,594
Net Capital Assets Being Depreciated	45,671,090	5,016,739		50,687,829
Net Capital Assets	$ 51,877,915	$ 5,574,016	$ 5,950,498	$ 51,501,433

Depreciation expense of $1,460,869 is charged as follows:

Function/Program	
General Support	$ 419,337
Instruction	904,672
Pupil Transportation	85,374
School Lunch	51,486
Total Depreciation	$ 1,460,869

Right to use leased asset activity for the year ended June 30, 2023, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	$ 1,425,187	$ 388,424	$ 186,606	$ 1,627,005
Accumulated Amortization				
Leased Equipment	1,155,778	216,692	(186,606)	1,185,864
Net Right To Use Assets	$ 269,409	$ 171,732	$	$ 441,141

Amortization expense of $216,692 is charged solely to instruction.

7. LEASE RECEIVABLE AND LESSOR AGREEMENT

The School District, as lessor, leases a building to Broome DDSO for use as a regional office day habilitation program for adults, for monthly payments of $9,012 for a lease term beginning on August 1, 2018 and ending on July 31, 2023. The lease agreement qualifies as a lease under GASB 87 and, therefore, has been recorded as a receivable at the present value of the future minimum lease payments as of the date of the inception of the agreements. The School District has recorded a lease receivable and a deferred inflow of resources in the amount of $17,957 at June 30, 2023. During the year ended June 30, 2023, the School District recognized $105,880 in lease revenue and $2,267 in lease interest revenue. Future payments due to the School District and deferred inflow recognition under this lease agreement are as follows for the year ended June 30:

For the Year Ending June 30,	Lease Receivables Principal	Interest	Total
2024	$ 17,957	$ 67	$ 18,024

For the Year Ending June 30,	Deferred Inflows
2023	$ 17,957

8. SHORT-TERM DEBT

The School District renewed a Bond Anticipation Notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. The note was recorded as a current liability of the fund that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The following is a summary of the BANs outstanding at June 30, 2023:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Capital Fund					
BAN Capital Improvements/Buses	06/29/23	$ 2,500,000	06/28/24	3.90%	$ 2,500,000
BAN Capital Improvements/Buses	08/04/22	$ 112,235	08/04/23	3.00%	$ 112,235

Changes in the School District's short–term outstanding debt for the year ended June 30, 2023, are as follows:

Description	Beginning Balance	Issued	Paid	Ending Balance
Governmental Activities				
BAN Capital Improvements/Buses	$ 6,161,600	$	$ 6,161,600	$
BAN Capital Improvements/Buses		112,235		112,235
BAN Capital Improvements/Buses		2,500,000		2,500,000
Total	$ 6,161,600	$ 2,612,235	$ 6,161,600	$ 2,612,235

Interest costs for short–term debt for the year ended June 30, 2023, was as follows:

Interest Paid	$ 200,266
Less: Interest Accrued in the Prior Year	(55,539)
Plus: Interest Accrued in the Current Year	
Total Interest Expense on Short-Term Debt	$ 144,727

9. NONCURRENT LIABILITIES

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial and Statutory Installment Bonds	$ 15,384,739	$ 4,610,000	$ (2,205,000)	$ 17,789,739	$ 1,985,000
Unamortized Premium on Bond	2,587,650	641,012	(119,653)	3,109,009	165,440
Other Liabilities					
Lease Liability	209,617	249,000	(165,523)	293,094	108,443
Compensated Absences	1,379,434	84,567		1,464,001	
OPEB Liability	7,933,631	1,399,842	(496,183)	8,837,290	
Total Noncurrent Liabilities	$ 27,495,071	$ 6,984,421	$ (2,986,359)	$ 31,493,133	$ 2,258,883

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The long-term liabilities are full faith and credit debt of the local government. The provision to be made in the General Fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. In the event of a default in the payment of the principal and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Details relating to general obligation (serial) bonds of the School District outstanding at June 30, 2023, are summarized as follows:

Payable from/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate	Outstanding Amount
General Fund					
2012 Refunding Bond	06/15/12	12,860,000	06/15/24	1.75-5.00	$ 489,739
2016 Serial Bond Construction	06/15/16	6,920,000	06/15/30	4.00-5.00	4,030,000
2019 DASNY	06/17/19	9,820,000	06/15/33	3.00-5.00	8,000,000
2023 DASNY	06/15/23	4,610,000	06/15/37	5.00	4,610,000
2021 Refunding Bond	03/11/21	950,000	06/15/29	1.35	660,000
Total					$ 17,789,739

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

For the Year Ending June 30,	Serial Bonds & Statutory Installment Bonds Principal	Interest	Total
2024	$ 1,985,000	$ 898,469	$ 2,883,469
2025	1,630,000	741,150	2,371,150
2026	1,710,000	659,650	2,369,650
2027	1,790,000	580,350	2,370,350
2028	1,875,000	490,850	2,365,850
2029-2033	7,125,000	1,259,500	8,384,500
2034-2037	1,674,739	214,500	1,889,239
Total	$ 17,789,739	$ 4,844,469	$ 22,634,208

Interest expense on the District-wide financial statements is calculated as follows:

Interest Paid	$	698,300
Less: Interest Accrued in the Prior Year		(28,802)
Less: Amortization of Bond Premium		(104,027)
Less: Amortization of Advanced Refunding Premium		(15,626)
Plus Amortization of Deferred Charge from Refunding		11,251
Plus: Interest Accrued in the Current Year		40,264
Total Interest Expense on Long-Term Debt	$	601,360

Prior-Year Defeasance of Debt

In prior years, the School District defeased certain general obligation bonds of which the proceeds were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the District's financial statements. At June 30, 2023, $1,925,000 of defeased bonds were still outstanding.

Debt Limit

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

Serial Bond Premium

In 2016, 2019, and 2023 the District issued serial bonds for $7,310,000, $9,820,000, and $4,610,000, respectively. The serial bonds were issued at premiums of $1,456,372, $1,651,265, and $641,012 respectively. While these amounts were recognized as revenue in the Debt Service Fund, they are considered unearned revenue on the District-wide financial statements. The premiums are being amortized until the bonds mature. Interest revenue amortized for the year ending June 30, 2023 was $104,027, and the remaining unamortized balance is reported as a deferred bond premium in the amount of $3,020,460.

In 2021 the District issued a DASNY Refunding bond for $950,000. The bond was issued at a premium of $125,010. While these amounts were recognized as revenue in the Debt Service Fund, they are considered unearned revenue on the District-wide financial statements. The premium is being amortized until the bonds mature. Interest revenue amortized for the year ending June 30, 2023 was $15,626, and the remaining unamortized balance is reported as a deferred bond premium in the amount of $88,549.

Deferred Outflows of Resources – Deferred Charges from Refunding of Debt

The cost of refunding and issuing serial bonds has been deferred and recorded as a deferred outflow on the District-wide financial statements. The cost is being amortized using the straight-line method over 8-14 years, the remaining time to maturity of the bonds. The current year amortization is $11,251 and is included as an addition to interest expense on the statement of activities. The remaining unamortized balance is $199,769 on the statement of net position.

Compensated Absences

Compensated absences represent vacation and sick time that has been earned by the School District employees but not used as of June 30, 2023.

Lease Liability

The District has entered into agreements with the BOCES to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates ranging from April 11, 2018 to April 4, 2022 and are for a term of 5 years. Annual lease payments for these agreements range from $29,645 to $60,284. The lease liability is measured at a discount rate of 3.00% which is stated in the lease agreements. As a result of these leases, the District has recorded a right to use asset with a net book value of $295,120 and a lease liability of $293,094 at June 30, 2023. The District has also made some lump sum payments at the beginning of certain lease agreements and thus there are right to use assets with a net book value of $146,021 at June 30, 2023 with no corresponding lease liability. Future lease payments are as follows:

For the Year Ending	Leases		
June 30,	Principal	Interest	Total
2024	$ 108,443	$ 11,572	$ 120,015
2025	82,586	7,784	90,370
2026	49,886	4,689	54,575
2027	52,179	2,397	54,576
Total	$ 293,094	$ 26,442	$ 319,536

10. PENSION PLANS

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

(a) Plan Description

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

The Net Position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 are required to contribute 3% of their annual salary for their entire working career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2023, were paid. The required contributions for the current year and two preceding years were:

	Amount
2021	$ 317,850
2022	$ 339,549
2023	$ 271,124

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

At June 30, 2023, the School District reported a liability of $2,000,634 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023 and 2022, the School District's proportion was .0093296% and .0081919% respectively.

For the year ended June 30, 2023, the School District recognized a pension expense of $466,927. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

$106,579 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2023.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 56,185	$ 213,083
Change of assumptions	10,738	971,637
Net difference between projected and actual earnings on Pensions plan investments	11,754	
Changes in proportion and differences between contributions and proportionate share of contributions	113,234	48,833
Contributions subsequent to the measurement date		106,579
Total	$ 191,911	$ 1,340,132

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30,2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended June 30:	
2024	$ 228,207
2025	$ (132,242)
2026	$ 396,477
2027	$ 549,200

(d) Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023.

Significant actuarial assumptions used in the April 1, 2022 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	4.40%
Cost of Living Adjustment	1.50%
Inflation rate	2.90%

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

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

**Real rates of return are net of the long-term inflation assumption of 2.50%*

(e) Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (assets)	4,834,675	2,000,634	(367,536)

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of $106,579 at June 30, 2023. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2023-2024 billing cycle and has been recorded as a liability in the current year.

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

(a) Plan Description

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

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

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

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

	Amount
2021	$ 695,767
2022	$ 714,370
2023	$ 804,759

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

At June 30, 2023, the School District reported a net liability of $789,552 for its proportionate share of the net pension liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 and 2021, the School District's proportion was 0.041146% and 0.043014% respectively.

For the year ended June 30, 2023, the School District recognized a pension expense of $252,374. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 15.821	$ 827.351
Changes of assumptions	318.054	1.531.597
Net difference between projected and actual earnings on Pensions plan investments		1.020.176
Changes in proportion and differences between contributions and proportionate share of contributions	33,399	215.081
Contributions subsequent to the measurement date		804.759
Total	$ 367,274	$ 4,398.964

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

Year ended June 30:	
2023	$ 619,679
2024	$ 339,999
2025	$ (85,030)
2026	$ 2,051,458
2027	$ 278,298
Thereafter	$ 22,527

(d) Actuarial Assumptions

The total pension liability at June 30, 2022 measurement date was determined by using an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension asset to June 30, 2022.

Significant actuarial assumptions used in the June 30, 2021 valuation were as follows:

Investment Rate of Return	6.95 % compounded annually, net of pension plan investment expense, including inflation.
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs	1.3% compounded annually.
Inflation rate	2.4%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2015 and June 30, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.5%
International equity	16.0%	7.2%
Global equity	4.0%	6.9%
Real estate equity	11.0%	6.2%
Private equity	8.0%	9.9%
Domestic fixed income	16.0%	1.1%
Global bonds	2.0%	0.6%
Private debt	2.0%	5.3%
Real estate debt	6.0%	2.4%
High-yield bonds	1.0%	3.3%
Cash equivalents	1.0%	-0.3%
	100.0%	

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

(e) Discount Rate

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

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

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

	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Proportionate share of the net pension liability (assets)	$ 7,280,039	$ 789,552	$ (4,668,905)

(g) *Pension Plan Fiduciary Net Position*

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

(h) *Payables to the Pension Plan*

The employer portion of the amount included in due to TRS was $804,759. This amount was recorded in the General Fund at June 30, 2023 and represents the contribution for the 2022-23 fiscal year that will be made in 2023-24 and has been accrued as an expenditure in the current year.

11. POSTEMPLOYMENT HEALTH CARE BENEFITS

(a) Plan Description and Benefits Provided

The School District offers eligible actives, retirees, and some dependents' medical coverage in a fully-insured indemnity medical plan administered by Excellus BlueCross BlueShield. Currently, there are 233 current and former employees participating in the District's Other Postemployment Benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements as follows:

Eligibility	All active employees and retirees who reach age 55 with a minimum of 7-20 years of service to the District, depending on bargaining group.
Benefit Cost Sharing	The School District pays 50-100% of the plan premium.
Spouse Cost Sharing	Not covered by most employee groups. The School District pays 50-100% of the plan premium in cases where they are covered.
Surviving Spouse Cost Sharing	Surviving spouse pays full cost.

(b) Schedule of Required Contributions

The OPEB plan is currently unfunded.

(c) Employees covered by benefit terms

At June 30, 2023, the following employees were covered by the benefit terms:

	Total
Active plan members	187
Retirees or beneficiaries currently receiving benefits	28
Total	215

(d) Actuarial Methods and Assumptions

All actuarial methods are chosen to be consistent with the requirements of GASB 75 and are effective July 1, 2017. All actuarial assumptions are chosen to be consistent with the requirements of GASB 75 and Actuarial Standards of Practice (ASOPs). Whenever possible, actual plan experience is factored into the setting of actuarial assumptions. Rates based on independent, published sources are used as noted, without audit.

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

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

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Significant methods and assumptions were as follows:

Actuarial Valuation Date	July 1, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Discount Rate	3.65%
Medical Trend Rate	5.3% - 4.1% over 55 years
Salary Increase Rate	2.40%
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2021
Retirement Rates and Termination	Based on experience under the NYS and Local Retirement System and NYS Teacher's Retirement System
Per Capita Claim Costs	Based on total projected claims by age and gender
Participation Rate	100% of Future Retirees will Elect the Benefit
Spousal Coverage	80% Married Retirees, Male 3 Years Older Than Female

The long-term bond rate used of 3.65% is based on the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2023.

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

(e) Changes in the Total OPEB Liability

The following outlines the changes to the Total OPEB Liability during the fiscal year:

Beginning at June 30, 2022:	$	7,933,631
Changes for the year:		
Service Cost		351,089
Interest		285,902
Demographic gains or losses		(75,709)
Changes in assumptions or other inputs		762,851
Benefit payments		(420,474)
Net Changes:		903,659
Balance at June 30, 2023	$	8,837,290

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

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

	1% Decrease (2.65%)	Current Assumption (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 9,800,706	$ 8,837,290	$ 7,991,401

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

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

	1% Decrease (4.3%-3.1%)	Current Assumption (5.3%-4.1%)	1% Increase (6.3%-5.1%)
Total OPEB liability	$ 7,664,989	$ 8,837,290	$ 10,282,034

(h) OPEB Expense

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

Calculation of the OPEB Expense	
Service cost	$ 351,089
Interest cost	285,902
Amortization of differences between expected and actual experience	(61,410)
Total OPEB Expense	$ 575,581

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 92,849	$ 236,364
Changes of assumptions	2,222,180	1,552,922
Total	$ 2,315,029	$ 1,789,286

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

Year ended June 30:	Amount
2024	$ (61,410)
2025	$ (61,410)
2026	$ (61,406)
2027	$ 133,602
2028	$ 128,434
Thereafter	$ 447,933

12. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted fund balance during the year ended June 30, 2023:

	Beginning Balance	Increases/ (Decreases)	Decreases	Ending Balance
General Fund				
Retirement Contribution - ERS	$ 1,351,789	$ 36,173	$	$ 1,387,962
Retirement Contribution - TRS	609,101	129,210		738,311
Property Loss	116,105			116,105
Liability	651,715	7,929		659,644
Tax Certiorari	166,743	1,445	(67,249)	100,939
Employee Benefit Accrued Liability	1,200,001			1,200,001
2020 Capital Reserve	1,002,115	11,982	(1,000,000)	14,097
2022 Capital Reserve	1,150,000	1,164,355		2,314,355
2022 Capital Reserve - buses	500,000	505,464		1,005,464
Repairs	160,141	32		160,173
Unemployment Insurance	213,688	2,599		216,287
Total	$ 7,121,398	$ 1,859,189	$ (1,067,249)	$ 7,913,338

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2023:

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Nonspendable	$	$ 19,588	$	$	$	$	$ 19,588
Restricted							
Repair Reserve	160,173						160,173
Liability Reserve	659,644						659,644
Unemployment Reserve	216,287						216,287
Property Loss Reserve	116,105						116,105
Retirement Contribution Reserve	2,126,273						2,126,273
Employee Benefit Accrued Liability Reserve	1,200,001						1,200,001
Capital Reserve	3,333,916						3,333,916
Tax Certiorari Reserve	100,939						100,939
Student Athletics, Programs, and Scholarships				78,664			78,664
Debt Service Fund					251,176		251,176
Capital Project Fund						688,223	688,223
Total Restricted	7,913,338			78,664	251,176	688,223	8,931,401
Assigned							
Instruction			96,035				96,035
School Lunch Fund		259,217					259,217
Encumbrances	102,349						102,349
Appropriated for Subsequent Year's Budget	1,000,000						1,000,000
Total Assigned	1,102,349	259,217	96,035				1,457,601
Unassigned (Deficit)							
Unassigned (Deficit)	1,878,283					(182,364)	1,695,919
Total Unassigned (Deficit)	1,878,283					(182,364)	1,695,919
Total Fund Balance (Deficit)	$ 10,893,970	$ 278,805	$ 96,035	$ 78,664	$ 251,176	$ 505,859	$ 12,104,509

13. INTERFUND TRANSACTIONS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 756,720	$ 2,625,829	$ 55,000	$ 1,016,284
School Lunch	125,829	44,605		
Special Aid		301,547	16,284	1,294,911
Debt Service				505,000
Capital Fund	2,601,030	519,095	2,744,911	
Miscellaneous Special Revenue		3		
Custodial Fund	7,500			
Total	$ 3,491,079	$ 3,491,079	$ 2,816,195	$ 2,816,195

- All interfund payables are expected to be repaid within one year.
- Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.
- The School District transferred $16,284 from the General Fund to the Special Aid Fund for 20% of the summer special needs program.
- The School District transferred $55,000 from the Special Aid Fund to the General Fund for the BOCES Enrichment program.
- The School District transferred $1,000,000 from the General Fund to the Capital Fund for the local share of the new District Wide capital project approved by voters in September 2022.
- The School District transferred $1,239,911 from Special Aid Fund to the Capital Fund to cover expenses associated with remodeling projects using CRRSSA and ARPA Funds.
- The School District transferred $505,000 of a premium from a DASNY Bond issued in June 2023 from the Debt Service Fund to the Capital Fund to cover the pay down of an outstanding BAN.

14. RISK MANAGEMENT

General Information

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

Risk Financing and Related Insurance

(a) Health Insurance Plan

The Sidney Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. School District administers and participates in the Catskill Area Schools Employee Benefit Plan (CASEBP) consisting of 19 other governmental entities for their health coverage. Entities joining the plans must remain members for a minimum of one year; a member may withdraw from the plans after that time by submitting a notice of withdrawal 30 days prior to the plans' year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plans' assets were to be exhausted, members would be responsible for the plan's liabilities. The plans use a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plans establish a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The Consortiums are shared-risk public entity risk pools whereby each entity pays annual premiums as follows: Health Consortium - Monthly premium from individual members based on the type of coverage selected. Premiums paid to the Health Consortium totaled $3,308,608 for the year ended June 30, 2023. Paid claims are accounted for in the aggregate with individual entity activity not being tracked separately.

(b) Other Risks

The School District continues to maintain commercial insurance policies for all other risks of loss such as general liability.

15. CONTINGENCIES AND COMMITMENTS

Construction Commitments

At June 30, 2023, the School District had various construction commitments outstanding on a district wide capital project that began in 2022. The total voter authorization for the project was $8,000,000. At June 30, 2023, the School District has expended $602,971 of the total capital project authorization. The remaining commitment is contingent on the contractor's performance and will be funded through state building aid and/or permanent financing.

Potential Grantor Liability

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

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2023, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance and are as follows:

	Assigned General
Encumbrances	
General Support	$ 7,329
Instruction	16,990
Pupil Transportation	78,030
Total Encumbrances	$ 102,349

16. NET POSITION DEFICIT

The District-wide net position had an unrestricted deficit at June 30, 2023 of $2,652,886. The deficit is the result of GASB Statement 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*," which requires the recognition of an unfunded liability of $8,837,290 at June 30, 2023. Since New York State provides no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	$ 5,193,619	$ 5,295,488	$ 5,297,407	$ 1,919
STAR and Other Real Property Tax Items	972,986	871,117	866,634	(4,483)
Charges for Services	49,949	49,949	94,119	44,170
Use of Money and Property	123,592	123,592	208,604	85,012
Sale of Property and Compensation for Loss	4,625	4,625	18,072	13,447
Miscellaneous	439,847	439,847	826,456	386,609
Interfund Revenues				
State Aid	20,585,066	20,585,066	20,898,994	313,928
Federal Aid	27,525	27,525	98,000	70,475
Total Revenues	27,397,209	27,397,209	28,308,286	911,077
Other Financing Sources				
Transfers from Other Funds	150,000	150,000	55,000	(95,000)
Appropriated Reserves		1,067,249		(1,067,249)
Appropriated Fund Balance	1,753,380	1,753,380		(1,753,380)
Total Revenues and Other Financing Sources	$ 29,300,589	$ 30,367,838	28,363,286	$ (2,004,552)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 44,483	$ 18,433	11,188	$	$ 7,245
Central Administration	255,346	249,471	237,250	3,654	8,567
Finance	405,450	424,925	399,536		25,389
Staff	230,750	238,017	206,380		31,637
Central Services	3,494,573	3,852,127	3,622,107	3,675	226,345
Special Items	789,279	903,315	888,058		15,257
Total General Support	5,219,881	5,686,288	5,364,519	7,329	314,440
Instruction					
Instruction, Administration, and Improvement	944,080	942,900	904,910	3,653	34,337
Teaching - Regular School	6,295,086	5,947,181	5,745,052	6,708	195,421
Programs for Children With Special Needs	3,598,599	3,586,945	3,349,397	79	237,469
Occupational Education	745,000	745,000	744,717		283
Instructional Media	816,250	739,554	455,572	6,550	277,432
Pupil Services	1,118,427	1,080,645	871,030		209,615
Total Instruction	13,517,442	13,042,225	12,070,678	16,990	954,557
Pupil Transportation	1,350,260	1,537,642	1,304,447	78,030	155,165
Community Services	5,625	8,725	6,502		2,223
Employee Benefits	5,669,000	5,384,054	4,655,488		728,566
Debt Service - Principal	2,205,000	2,370,523	2,370,523		
Debt Service - Interest	886,516	886,516	843,027		43,489
Total Expenditures	28,853,724	28,915,973	26,615,184	102,349	2,198,440
Other Financing Uses					
BANs Redeemed from Appropriations	434,365	434,365	434,365		
Transfers to Other Funds	12,500	1,017,500	1,016,284		1,216
Total Expenditures and Other Financing Uses	$ 29,300,589	$ 30,367,838	28,065,833	$ 102,349	$ 2,199,656
Net Change in Fund Balance			297,453		
Fund Balance - Beginning of Year			10,596,517		
Fund Balance - End of Year			$ 10,893,970		

Notes to Required Supplementary Information:

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

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

See Independent Auditor's Report

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN THE DISTRICTS TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2023

	2022 *	2022 *	2021 *	2020 *	2019 *	2018 *
Total OPEB Liability						
Service cost	$ 351,089	$ 518,336	$ 362,161	$ 315,833	$ 356,812	$ 320,650
Interest on Total OPEB Liability	285,902	197,903	156,088	231,215	251,904	249,099
Change in Plan Terms					102,210	
Demographic gains or losses	(75,709)		78,487			
Change in Assumptions and Inputs	762,851	(1,198,740)	1,810,595	367,061	(1,481,735)	
Differences between expected and actual experience					(450,605)	62,368
Benefit payments	(420,474)	(452,929)	(475,182)	(530,415)	(526,876)	(621,922)
Net change in total OPEB Liability	903,659	(935,430)	1,932,149	383,694	(1,748,290)	10,195
Total OPEB Liability - Beginning	7,933,631	8,869,061	6,936,912	6,553,218	8,301,508	8,291,313
Total OPEB Liability - Ending	$ 8,837,290	$ 7,933,631	$ 8,869,061	$ 6,936,912	$ 6,553,218	$ 8,301,508
Covered payroll	$ 9,153,087	$ 9,341,807	$ 9,341,807	$ 9,109,718	$ 9,109,718	$ 9,173,887
Total OPEB Liability as a percentage of covered payroll	96.55%	84.93%	94.94%	76.15%	71.94%	90.49%

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

Notes to Required Supplementary Information:

The District does not have net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Changes of Assumptions: Discount rate increased from 3.54% to 3.65%. Medical Trend Rate remained unchanged at 5.3% - 4.1% over 55 years.

Actuarial Assumptions: The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 11 to the financial statements.

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2023

ERS Pension Plan
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 271,124	$ 339,549	$ 317,850	$ 342,147	$ 315,096	$ 307,713	$ 279,601	$ 361,221	$ 313,653	$ 388,477
Contributions in Relation to the Contractually Required Contribution	271,124	339,549	317,850	342,147	315,096	307,713	279,601	361,221	313,653	388,477
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 2,941,114	$ 2,302,107	$ 2,403,947	$ 2,449,172	$ 2,379,442	$ 2,231,886	$ 1,948,422	$ 2,052,242	$ 1,999,795	$ 2,128,325
Contributions as a Percentage of Covered-Employee Payroll	9 22%	14 75%	13 22%	13 97%	13 24%	13 79%	14.35%	17.60%	15 68%	18 25%

TRS Pension Plan

Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 804,759	$ 714,370	$ 695,767	$ 649,459	$ 820,001	$ 738,799	$ 838,621	$ 972,623	$ 1,248,377	$ 1,153,093
Contributions in Relation to the Contractually Required Contribution	804,759	714,370	695,767	649,459	820,001	738,799	838,621	972,623	1,248,377	1,153,093
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 7,820,787	$ 7,289,490	$ 7,300,808	$ 7,330,237	$ 7,721,290	$ 7,538,765	$ 7,155,469	$ 7,335,015	$ 7,154,023	$ 7,095,957
Contributions as a Percentage of Covered-Employee Payroll	10 29%	9 80%	9 53%	8.86%	10.62%	9 80%	11 72%	13 26%	17.45%	16 25%

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
For the Year Ended June 30, 2023

ERS Pension Plan

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/liability	0.0093296%	0.0081919%	0.0087480%	0.0090229%	0.0094751%	0.0083728%	0.0077509%	0.0083706%	0.0076579%
District's proportionate share of the net pension asset (liability)	$ (2,000,634)	$ 669,652	$ (8,711)	$ (2,389,309)	$ (671,338)	$ (270,228)	$ (728,291)	$ (1,343,509)	$ (258,704)
District's covered-employee payroll	$ 2,941,114	$ 2,302,107	$ 2,403,947	$ 2,449,172	$ 2,379,442	$ 2,231,886	$ 1,948,422	$ 2,052,242	$ 1,999,795
District's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	-68%	29%	-0.36%	-97.56%	-28.21%	-12.11%	-37.38%	-65.47%	-12.94%
Plan fiduciary net position as a percentage of total pension assets	90.78%	103.65%	99.95%	86.40%	96.27%	98.2%	94.7%	90.7%	97.9%

TRS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the net pension asset/liability	0.041146%	0.043014%	0.043187%	0.046258%	0.046282%	0.045213%	0.044236%	0.047408%	0.048038%
District's proportionate share of the net pension asset (liability)	$ (789,552)	$ 7,453,867	$ (1,193,380)	$ 1,201,799	$ 836,895	$ 343,665	$ (473,785)	$ 4,924,213	$ 5,351,129
District's covered-employee payroll	$ 7,289,490	$ 7,300,808	$ 7,330,237	$ 7,721,290	$ 7,538,765	$ 7,155,469	$ 7,335,015	$ 7,154,023	$ 7,095,957
District's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	-10.83%	102.10%	-16.28%	15.56%	11.10%	04.80%	-06.46%	68.83%	75.41%
Plan fiduciary net position as a percentage of total pension asset/liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

* Information is only presented for years available

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2023

Change from Adopted Budget to Revised Budget

Adopted Budget	$	28,797,209
Add: Prior Year's Encumbrances		503,380
Original Budget		29,300,589
Add: Voter Approved Proposition for Local Share of Capital Project		1,000,000
Budget Amendment for Use of Tax Cert Reserve to pay Tax Refund		67,249
Final Budget	$	30,367,838

Section 1318 of Real Property Tax Law Limit Calculation

2023-24 Voter-Approved Expenditure Budget			$	31,304,858
Maximum Unassigned Fund Balance Allowed (4% of 2023-24 Budget)			$	1,252,194
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :				
Unrestricted fund balance:				
Assigned fund balance	$	1,102,349		
Unassigned fund balance		1,878,283		
Total unrestricted fund balance		2,980,632		
Less:				
Appropriated fund balance		1,000,000		
Encumbrances included in assigned fund balance		102,349		
Total adjustments		1,102,349		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law			$	1,878,283
Actual Percentage				6.00%

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2023

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Balance (Deficit) June 30, 2023
Capital Improvements - District Wide 2019	$ 8,500,000	$ 8,500,000	$ 6,035,008	$ 14,160	$ 6,049,168	$ 2,450,832	$ 4,610,000	$	$ 1,439,168	$ 6,049,168	$
Capital Improvements - District Wide 2022	8,000,000	8,000,000	45,694	557,277	602,971	7,397,029			1,270,155	1,270,155	667,184
2022 IPAs	249,000	249,000		249,000	249,000		249,000			249,000	
District Wide - 2020 Local	100,000	100,000	97,833		97,833	2,167			100,000	100,000	2,167
District Wide - 2022 Local	100,000	100,000	85,433		85,433	14,567			100,000	100,000	14,567
CRSSA Project - Remodeling	1,324,734	1,178,421		1,178,421	1,178,421			1,178,421		1,178,421	
ARP ESSER Project	1,078,020	1,078,020		66,490	66,490	1,011,530		66,490		66,490	
Buses - 2015	390,000	385,695	385,695		385,695		390,000			390,000	4,305
Buses - 2019	434,000	434,000	423,655		423,655	10,345			422,400	422,400	(1,255)
Buses - 2020	290,345	290,345	281,109		281,109	9,236			100,000	100,000	(181,109)
Totals	$ 20,466,099	$ 20,315,481	$ 7,354,427	$ 2,065,348	$ 9,419,775	$ 10,895,706	$ 5,249,000	$ 1,244,911	$ 3,431,723	$ 9,925,634	$ 505,859

SIDNEY CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2023

Capital Assets, Net	$ 51,501,433
Right to Use Leased Assets, Net of Amortization	441,141
	51,942,574
Add:	
Capital Fund Cash	1,030,099
Deferred Charge from Refunding of Debt	199,769
	1,229,868
Deduct:	
Unamortized Premium	3,109,009
Deferred Premium from Refunding Debt	17,957
Lease Liability	293,094
Bond Anticipation Notes	2,612,235
Serial Bonds Payable	17,789,739
	23,822,034
Net Investment in Capital Assets	$ 29,350,408

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

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Sidney Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sidney Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Sidney Central School District's basic financial statements, and have issued our report thereon dated October 10, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

October 10, 2023

Utica, New York

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

120 Lomond Court, Utica, N.Y. 13502-5950
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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education
Sidney Central School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sidney Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Sidney Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Sidney Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

D'Arcangelo + Co., LLP

October 10, 2023

Utica, New York

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Agency or Pass-through Number	Current Year Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 420701060000)				
Nutrition Cluster				
National School Lunch Program (Noncash)	10.555	N/A	$ 65,742	
Summer Food Service Program	10.559	N/A	12,892	
School Breakfast Program	10.553	N/A	202,813	
School Snack Program	10.555	N/A	33,432	
National School Lunch Program	10.555	N/A	511,845	
Total Cash Assistance			760,982	
Total Nutrition Cluster			826,724	
Total U.S. Department of Agriculture (Total Nutrition Cluster)			826,724	
U.S. Department of Education				
(Passed Through the State Education Department of the State of New York)				
Title I Grants to Local Education Agencies (Part A of ESEA)	84.010	0021-23-0620	316,273	
Title I Grants to Local Education Agencies (Part A of ESEA)	84.010	0021-22-0620	125,375	
Total			441,648	
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0165	298,735	
Special Education - Grants to States (IDEA, Part B)	84.173	0033-23-0165	5,104	
COVID-19 ARP Special Education - Grants to States	84.027X	5532-22-0165	58,761	
COVID-19 ARP Special Education - Grants to States	84.173X	5533-22-0165	6,541	
Total Special Education Cluster (IDEA)			369,141	
Supporting Effective Instruction State Grants (Title II, Part A)	84.367	0147-23-0620	29,489	
Supporting Effective Instruction State Grants (Title II, Part A)	84.367	0147-22-0620	27,988	
Total			57,477	
Title V Rural And Low Income Schools	84.358	0006-23-0620	28,163	
Total			28,163	
Title IV, Part A - Student Support and Academic Enrichment	84.424	0204-23-0620	27,045	
Total			27,045	
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief And Economic Security Act				
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-0620	480,050	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5882-21-0620	72,879	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5883-21-0620	134,201	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5884-21-0620	413,531	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Homeless 2)	84.425W	5218-21-0620	3,935	
Governor's Emergency Educational Relief (GEER) Fund School Emergency Relief (ESSER)	84.425C	5890-21-0620	43,984	
Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5891-21-0620	749,755	
Total			1,898,335	
Total U.S. Department of Education			2,821,809	
Total Federal Financial Assistance			$ 3,648,533	

SIDNEY CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Sidney Central School District. The School District's organization is defined in Note 1 to the School District's financial statements.

Basis of Accounting

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

FOOD DONATION

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2023, the School District had food commodities totaling $8,480 in inventory.

INDIRECT COST RATE

The School District has not elected to use the 10% de minimis indirect cost rate.

CLUSTER PROGRAMS

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

U.S. Department of Agriculture
Nutrition Cluster

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

U.S. Department of Education
Special Education Cluster

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

SIDNEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2023

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516(a)	No
(d)(1)(vii)	Major Programs (list):	U.S. Department of Education COVID-19 Education Stabilization Fund: AL # 84.425C Governor's Emergency Educational Relief (GEER) Fund School Emergency Relief (ESSER) AL #84.425D Elementary and Secondary School Emergency Relief (ESSER 2) Fund AL #84.425U American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) AL #84.425W Emergency Relief – Homeless Children and Youth (ARP Homeless 2) U.S. Department of Agriculture **Nutrition Cluster** AL# 10.553 School Breakfast Program AL# 10.555 School Lunch Program AL# 10.555 Snack Program AL# 10.555 Food Donation (noncash) AL# 10.559 Summer Food Service
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

(Continued)

Findings - Financial Statements Audit

None noted in the current year.

Findings and Questioned Costs - Major Federal Award Programs Audit

None noted in the current year.

SIDNEY CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS –
FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2023

None noted.

FORM OF BOND COUNSEL'S OPINION
July 24, 2024

Sidney Central School District
Delaware, Chenango and Otsego Counties
State of New York

Re: Sidney Central School District, Delaware, Chenango and Otsego Counties, New York
$7,000,000 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $7,000,000 Bond Anticipation Notes, 2024 (the "Obligation"), of the Sidney Central School District, Delaware, Chenango and Otsego Counties, New York (the "Obligor"), dated July 24, 2024, numbered 1, of the denomination of $7,000,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing July 24, 2025.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Notes included in adjusted financial statement income of certain corporations and is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, 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 Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation 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 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage 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 municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP