PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Timothy R. McGill Law Offices, Bond Counsel to the District, assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986 (the "Code"), interest on the Notes is excludable from gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not a specific preference item for purposes of Federal alternative tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. 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). See "TAX EXEMPTION" herein for a discussion of certain Federal taxes applicable to owners of the Notes.

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

$6,457,500

MADRID-WADDINGTON CENTRAL SCHOOL DISTRICT

ST. LAWRENCE COUNTY, NEW YORK

$6,457,500 Bond Anticipation Notes, 2025

(the "Notes")

Dated: July 24, 2025 **Due: July 24, 2026**

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

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or integral multiples thereof except for one necessary odd denomination which is or includes $7,500, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof except for one necessary odd denomination which is or includes $7,500, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Timothy R. McGill Law Offices, Fairport, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about July 24, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on July 10, 2025 until 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

July 2, 2025

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

MADRID-WADDINGTON CENTRAL SCHOOL DISTRICT

ST. LAWRENCE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

* * * * * * * * * *

ERIC BURKE
Superintendent of Schools

JULIE ABRANTES
Business Official and District Clerk

LISA TYO
District Treasurer

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TIMOTHY R. MCGILL, ESQ.
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

MADRID-WADDINGTON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

Relating To

$6,457,500 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the Madrid-Waddington Central School District, St. Lawrence County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $6,457,500 principal amount of Bond Anticipation Notes, 2025 (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 THE OBLIGATION

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

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

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

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

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

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

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean. So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...

> While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon.

The Notes will be dated July 24, 2025 and will mature, without option of prior redemption, on July 24, 2026. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, except for one necessary odd denomination which is or includes $7,500, as may be determined by the successful bidder(s) or (ii) at the option of the purchaser(s), as registered book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant a bond resolution duly adopted by the Board of Education on November 14, 2023 authorizing the issuance of up to $13,500,000 serial bonds and the use of $1,700,000 capital reserve fund monies for the purpose of financing certain capital improvements consisting of the construction and reconstruction of existing District buildings and facilities.

The proceeds of the Notes, along with $42,500 available funds of the District, will partially redeem and renew the outstanding $1,500,000 bond anticipation notes and provide $5,000,000 of new money 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, a limited-purpose trust company organized under the New York Banking Law, is a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof except for one necessary odd denomination which is or includes $7,500. 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 Madrid-Waddington Central School District was created in 1955 when the former Madrid Waddington Central School District and Waddington Union Free School District were consolidated. The School District is in the towns of Lisbon, Louisville, Madrid, Potsdam and Waddington, all in St. Lawrence County, and its population is estimated to be 3,881 (2023 U.S. census estimate).

Residents of the School District are employed primarily in dairy farming, although there are opportunities for employment at various industries and businesses in the surrounding area.

Electricity is provided to the School District residents by National Grid and SMEC and natural gas by WPS Energy. Transmission of gas is provided by the Enbridge. Verizon New York Inc. and SLIC supplies telephone service. Police protection is provided by the St. Lawrence County Sheriff's Department and the New York State Police, while various local fire companies provide fire protection.

Transportation is available via New York State Routes 37, 37A, 310 and 345. The St. Lawrence Seaway provides access to the Great Lakes and Canada, both for recreational and commercial purposes. Air transportation is available in Syracuse and Montreal for the larger commercial carriers, as well as at smaller airports in Ogdensburg, Massena and Potsdam.

Higher education is available at the State University of New York and Clarkson University at Potsdam, and at the State University of New York, College of Technology and St. Lawrence University in Canton. These institutions also provide cultural and employment opportunities for School District residents.

Commercial and banking services are available in Madrid and Waddington. Larger retailers are located in Potsdam, Canton, Ogdensburg and Massena. Banking facilities available to School District residents include a branch of Community Bank, N.A. in Madrid. Additional nearby banking facilities are provided by KeyBank, N.A., Seacom Federal Credit Union, and JPMorgan Chase Bank, N.A.

Source: District officials.

Population

The current estimated population of the District is 3,881. (Source: 2023 U.S. Census Bureau estimate.)

Major Employers

Name	Type of Service	Approximate No. of Employees
Madrid-Waddington CSD	Public Education	123
Greenwood Acres	Farming	29
Mapleview Farms	Farming	27
Sunmount ICF	Health Care	21
Town of Waddington	Municipal Government	15

Source: District officials.

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Lisbon	$ 21,677	$ 29,596	$ 36,950	$ 52,625	$ 85,556	$ 108,875
Louisville	29,275	45,682	53,877	64,250	102,639	128,008
Madrid	23,487	23,045	34,473	52,353	61,042	90,321
Potsdam	16,384	24,270	27,227	55,072	89,830	81,120
Waddington	23,758	32,860	38,956	55,729	91,025	100,156
County of:						
St. Lawrence	20,143	26,676	31,574	50,384	66,843	80,918
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Unemployment Rate Statistics

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

Annual Averages

	2018	2019	2020	2021	2022	2023	2024
St. Lawrence County	5.6%	5.3%	7.9%	5.2%	4.1%	4.3%	4.6%
New York State	4.1	3.9	9.8	7.0	4.3	4.1	4.3

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul
St. Lawrence County	5.7%	5.6%	5.2%	4.2%	N/A	N/A	N/A
New York State	4.6	4.3	4.1	3.7	N/A	N/A	N/A

Note: Unemployment rates for May, June and July 2025 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York and U.S. Bureau of Labor Statistics. (Note: Figures not seasonally adjusted).

Form of School Government

The Board of Education which is the policy-making body of the School District consists of nine members with overlapping five year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold certain other district offices or 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 of the School District 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 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 School District must mail a school budget notice to all qualified voters which contains the total budgeted 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 budget 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 School District residents are eligible to participate. Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) 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 increase 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 also 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 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 130 to 9. The 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 total tax levy increase of 2.869%, which was below the District tax levy limit of 9.61%.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025. The District's budget for the 2025-26 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 2.12%, which is below the District tax levy limit of 2.27%.

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 deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with 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) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the 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 a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

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. The School District is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 71.49% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. See also "School district fiscal year (2024-25)" herein regarding authorization of a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula. Any revisions to the foundation aid formula could result in less State aid to the District.

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

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

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

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

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

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

Federal aid received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 92.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

<u>*State aid history*</u>

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

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

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

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Budget includes approximately $37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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

State Aid Litigation

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

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

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

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

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

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	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 15,213,685	$ 10,181,954	66.93%
2020-2021	15,587,896	10,093,505	64.75
2021-2022	16,760,787	10,727,154	64.00
2022-2023	17,836,641	12,202,339	68.41
2023-2024	18,869,741	13,378,841	70.90
2024-2025 (Budgeted)	18,647,432	13,217,057	70.88
2024-2025 (Unaudited)	18,215,976	13,024,980	68.86
2025-2026 (Budgeted)	19,395,589	13,865,830	71.49

[1] Figure does not include interfund transfers, appropriated fund balance or reserves. See “APPENDIX – A2” herein.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, unaudited projection for the 2024-2025 fiscal year and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited, audited results mat vary.

District Facilities

Name	Grades	Capacity	Year(s) Built / Additions
Madrid-Waddington Central School	K-12	1,293	1961, 2017

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	639	2025-2026	602
2021-2022	644	2026-2027	605
2022-2023	636	2027-2028	600
2023-2024	600	2028-2029	603
2024-2025	611	2029-2030	608

Source: District officials.

Employees

The District employs a total of approximately 111 full-time and 14 part-time employees. Employees are represented by various unions as follows:

Number of Members	Union Representation	Contract Expiration Date
61	Madrid Waddington Central School Teachers' Association	June 30, 2028
57	Madrid Waddington Central School Related Personnel Union	June 30, 2028

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally 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 2019-2020 through and including 2023-2024, unaudited projection for 2024-2025 fiscal year and budgeted figures for the 2024-2025 and 2025-2026 fiscal years are as follows:

Fiscal Year	ERS	TRS
2019-2020	$ 183,636	$ 504,749
2020-2021	196,066	467,719
2021-2022	180,308	523,928
2022-2023	155,572	519,927
2023-2024	174,681	482,199
2024-2025 (Budgeted)	293,460	551,087
2024-2025 (Unaudited)	210,725	513,211
2025-2026 (Budgeted)	316,383	553,529

Source: District officials.

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

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

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

Year	ERS	TRS
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02
2025-26	16.5	9.59*

*Estimated.

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

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

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

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

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

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

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

Other Post-Employment Benefits

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

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

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

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

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.

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Summary of Changes from the Last Valuation. The District contracted with Armory Associates, LLC an actuarial firm, to calculate its first 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:	July 1, 2022	July 1, 2023
	$ 36,470,766	$ 34,134,840
Changes for the year:		
Service cost	1,267,402	1,042,073
Interest	795,461	1,223,002
Differences between expected and actual experience	1,751,440	706,453
Changes of Benefits Terms	(1,214,924)	(104,724)
Changes in assumptions or other inputs	(3,801,147)	(857,115)
Benefit payments	(1,134,158)	(1,257,620)
Net Changes	$ (2,335,926)	$ 752,069
Balance ending at:	June 30, 2023	June 30, 2024
	$ 34,134,840	**$ 34,886,909**

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

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2023 and June 30, 2024.

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for school districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

The District retained the firm of Pinto Mucenski Hooper Van House & Co. to audit its financial statements for the fiscal year ended June 30, 2024 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

Unaudited Results for Fiscal Year Ending June 30, 2025

The District expects to end the fiscal year ending June 30, 2025 with an unappropriated unreserved fund balance of $850,000. Summary unaudited information for the General Fund for the period ending June 30, 2025 is as follows:

Revenues:	$ 18,760,000
Expenditures:	18,440,000
Excess (Deficit) Revenues Over Expenditures:	$ 320,000
Total Fund Balance at June 30, 2024:	$ 4,708,000
Total Fund Balance at June 30, 2025:	$ 4,906,000

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.

There have been no State Comptrollers audits of the District in the last 5 years and none 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 2019-20 through 2023-24 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	3.3
2023	No Designation	0.0
2022	No Designation	6.7
2021	No Designation	10.0
2020	No Designation	0.0

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Lisbon	$ 4,780,009	$ 4,752,347	$ 4,806,650	$ 4,795,486	$ 4,839,845
Louisville	6,889,325	6,942,399	6,948,942	6,989,421	7,035,761
Madrid	66,433,900	66,198,696	67,046,247	67,656,415	69,749,744
Potsdam	18,343,478	18,441,104	18,568,384	18,816,534	18,719,807
Waddington	140,168,134	142,075,611	142,776,284	144,511,360	145,628,558
Total Assessed Values	$ 236,614,846	$ 238,410,157	$ 240,146,507	$ 242,769,216	$ 245,973,715
State Equalization Rates					
Towns of:					
Lisbon	77.00%	75.00%	70.00%	65.00%	60.00%
Louisville	81.00%	81.00%	71.00%	65.00%	60.00%
Madrid	86.00%	84.00%	80.50%	75.50%	72.00%
Potsdam	94.00%	90.00%	84.00%	74.00%	69.00%
Waddington	87.50%	86.00%	78.00%	70.00%	63.00%
Total Taxable Full Valuation	$ 271,668,356	$ 279,409,611	$ 305,092,885	$ 339,614,320	$ 374,953,917

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Lisbon	$ 21.63	$ 22.02	$ 22.10	$ 21.53	$ 21.70
Louisville	20.56	20.39	21.79	21.53	21.70
Madrid	19.36	19.66	19.22	18.54	18.64
Potsdam	17.72	19.35	18.42	18.91	18.87
Waddington	19.03	19.21	19.83	20.00	20.66

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
General Fund Tax Levy	$ 4,524,777	$ 4,614,825	$ 4,719,627	$ 4,757,602	$ 4,880,922
Omissions/Loss of Exemptions - Prior Years	441	-	-	-	-
Total Levy for All Purposes	$ 4,524,336	$ 4,614,825	$ 4,719,627	$ 4,757,602	$ 4,880,922
Excess/(Deficit) on Tax Rolls	-	-	-	-	-
Net Taxes on Roll	$ 4,524,336	$ 4,614,825	$ 4,719,627	$ 4,757,602	$ 4,880,922
STAR Program	721,588	698,030	670,823	621,163	584,251
Net Taxes After STAR Program	$ 3,802,748	$ 3,916,795	$ 4,048,804	$ 4,136,439	$ 4,296,671
Taxes Collected Prior to Return	$ 3,447,087	$ 3,593,683	$ 3,706,284	$ 3,712,430	$ 3,700,723
Uncollected Date of Return	354,779	323,112	342,521	424,009	$ 595,948
% Collected Prior to Return	90.65%	91.75%	91.54%	89.75%	86.13%

See "Tax Collection Procedure" herein.

Tax Collection Procedure

School taxes are due September 1. If paid by October 1, no penalty is imposed. There is a 2% penalty for each month and fraction thereof thereafter until unpaid taxes are turned over to the County Treasurer on November 1 for collection until November 30, and relevy on County/Town tax rolls.

The School District is reimbursed by the County for all unpaid taxes the first week in April of each year and is thus assured of 100% collection of its annual levy.

Real Property Taxes

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

Fiscal Year	Total Revenues [1]	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 15,213,685	$ 4,442,267	29.20%
2020-2021	15,587,896	4,531,659	29.07
2021-2022	16,760,787	4,621,886	27.58
2022-2023	17,836,641	4,765,128	26.72
2023-2024	18,869,741	4,806,293	25.47
2024-2025 (Budgeted)	18,647,432	4,938,275	26.48
2024-2025 (Unaudited)	18,215,976	4,934,048	27.10
2025-2026 (Budgeted)	19,395,589	5,043,159	26.00

(1) Figure does not include interfund transfers, appropriated fund balance or reserves. See “APPENDIX – A2” herein.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, unaudited projection for the 2024-2025 fiscal year and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited, audited results mat vary.

Larger Taxpayers 2024 for the 2024-2025 Tax Roll

Name	Type	Assessed Valuation
Iroquois Gas Transmission Company	Utility	$ 15,049,638
National Grid	Utility	8,227,108
Mapleview Dairies	Farm	6,580,035
Greenwood Dairy	Farm	3,177,470
SRML, LLC	Farm	2,440,800
Kevin Acres	Farm	2,440,800
St. Lawrence Gas	Utility	2,416,376
C&M Dairies	Farm	2,381,700
SLIC Networks	Utility	1,969,533
William Tiernan/Tiernan Land Holding	Real Estate	1,335,000

The ten larger taxpayers, listed above, have a total assessed valuation of $46,018,460, which represents 12.27% of the assessed valuation for the 2024-2025 fiscal year.

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

Source: District Tax Rolls

STAR – School Tax Exemption

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

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $93,200 or less in 2023-2024 and $98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 of the full value of a home for the 2023-2024 school year and the first $84,000 of the full value of a home for the 2024-2025 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Lisbon	$ 51,660	$ 18,000	4/10/2025
Louisville	86,100	30,000	4/10/2025
Madrid	61,990	21,600	4/10/2025
Potsdam	86,100	30,000	4/10/2025
Waddington	54,240	18,900	4/10/2025

$584,251 of the District's $4,931,275 school tax levy for 2024-2025 is expected to be exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

$575,000 of the District's $5,036,159 school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such estimated exempt taxes from the State in January 2026.

Additional Tax Information

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

Senior citizens' and Veterans' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-9.13%, Residential-49.03% and Commercial-41.84%.

The estimated total annual property tax bill of a $100,000 typical market value residential property located in the District is approximately $2,038 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020 unless extended; 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.

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

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applies in the years 2016 through 2019 and includes continued tax cap compliance.

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private 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 District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

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

Statutory Procedure

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

The District has the power to contract indebtedness for any School District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment roll by the equalization rate established by the State Office of Real Property Services in accordance with applicable State law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

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

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

The District complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th	2021	2022	2023	2024	2025
Bonds	$ 4,155,000	$ 3,470,000	$ 6,455,000	$ 5,560,000	$ 5,105,000
Bond Anticipation Notes	3,500,000	4,310,133	0	0	1,500,000
Lease Obligations	0	69,857	66,132	67,278	45,849
Statutory Installment Bonds	0	0	0	0	0
Total Debt Outstanding	$ 7,655,000	$ 7,849,990	$ 6,521,132	$ 5,627,278	$ 6,650,849

Source: District audited financial statements. Table itself not audited.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 2, 2025:

Type of Indebtedness	Maturity		Amount
Bonds	2025-2038		$ 5,105,000
Bond Anticipation Notes			
Capital Improvement	July 25, 2025		1,500,000[1]
		Total Indebtedness	$ 6,605,000

[1] To be partially redeemed and renewed at maturity with the proceeds of the Notes and $42,500 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 2, 2025:

Full Valuation of Taxable Real Property			$ 674,953,917
Debt Limit 10%			67,495,392
Inclusions:			
Bonds	$ 5,105,000		
Bond Anticipation Notes (BANs):	1,500,000		
Total Inclusions prior to issuance of the Notes	6,605,000		
Less: BANs being redeemed from appropriations	(42,500)		
Add: New money proceeds of the Notes	5,000,000		
Total Net Inclusions after issuance of the Notes		$ 11,562,500	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 11,562,500
Net Debt-Contracting Margin			$ 55,932,892
The percent of debt contracting power exhausted is			17.68%

[1] Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 92.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Cash Flow Borrowings

The District historically does not issue either revenue or tax anticipation notes, and does not reasonably expect to issue such notes in the foreseeable future.

Capital Project Plans

On October 18, 2023, District voters approved a $15,200,000 capital project for the construction and reconstruction of school buildings and facilities. The District will initially use $1,700,000 capital reserve funds for the project with the remaining $13,500,000 to be financed with the issuance of bond anticipation notes and serial bonds. The District also transferred $200,000 to offset financing for the capital project, the total net financed amount will be $13,300,000. The Notes, along with $42,500 available funds of the District, will partially redeem and renew the outstanding $1,500,000 bond anticipation notes and will provide $5,000,000 of new money for the aforementioned purpose.

There are presently no other capital projects authorized and unissued by the District.

Estimated Overlapping Indebtedness

In addition to the District, other political units have the power to incur indebtedness payable from property taxes levied on property in the District. The table below sets forth both the total outstanding principal amount of debt issued by the District and the approximate magnitude of the burden on taxable property in the District of the debt instruments issued and outstanding by such other political units.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
St. Lawrence	6/28/2024	$ 21,750,000 [3]	$ 455,000	$ 21,295,000	4.45%	$ 947,628
Town of:						
Lisbon	12/31/2023	250,000 [4]	- [5]	250,000	2.63%	6,575
Louisville	12/31/2023	9,045,173 [4]	- [5]	9,045,173	4.39%	397,083
Madrid	12/31/2023	2,463,570 [4]	- [5]	2,463,570	86.25%	2,124,829
Potsdam	12/31/2023	2,595,280 [4]	- [5]	2,595,280	3.13%	81,232
Waddington	12/31/2023	- [4]	- [5]	-	98.97%	-
Village of:						
Waddington	5/31/2023	88,000 [4]	- [5]	88,000	100.00%	88,000
					Total:	$ 3,645,347

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

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

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

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

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 2, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 11,562,500	$ 2,979.26	3.09%
Net Indebtedness Plus Net Overlapping Indebtedness [c]	15,207,847	3,918.54	4.06

(a) The 2023 estimated population of the District is 3,881. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is $374,953,917. (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 $3,645,347. (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 and economic condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

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

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.

Federal Policy Risk Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

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

TAX MATTERS

In the opinion of 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; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E" hereto.

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 made certain representations and covenanted to comply with certain restrictions, conditions and requirements 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 the accuracy of these representations and 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 the 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 and 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 a Owner's federal, state or local 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 Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals in recent years generally would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect 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.

LEGAL MATTERS

The validity of the Notes will be covered by the unqualified legal opinion of Timothy R. McGill, Esq., Fairport, New York, Bond Counsel to the District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as "APPENDIX – E."

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading. In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the District, or (ii) on the market price and fair market value of the Notes at initial issuance or at any time thereafter.

LITIGATION

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

The District currently has pending litigation in connection with the Child Victims Act. The outcome is unknown at this time.

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 ("The Rule"), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as "APPENDIX – C".

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

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

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

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

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.

Timothy R. McGill Law Offices, Fairport, 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: Julie Abrantes, Business Official, 2582 State Highway 345, PO Box 67, Madrid, New York 13660, Phone: (315) 322-5746 x35222, Email: jabrantes@mwcsk12.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., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

MADRID-WADDINGTON CENTRAL SCHOOL DISTRICT

Dated: July 2, 2025

ROBERT SMITH
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 1,501,279	$ 535,687	$ 688,726	$ 3,463,861	$ 1,320,257
Restricted Cash	1,519,857	1,925,735	2,549,389	886,496	2,332,742
Receivables					
Due from Other Funds	432,521	826,865	749,933	497,654	548,005
Due from Other Governments	-	-	-	550,293	556,086
State and Federal Aid Receivable	605,721	784,757	774,128	564,252	300,516
Other	-	-	-	-	-
Prepaid Expenditures	-	-	-	317,354	315,753
TOTAL ASSETS	$ 4,059,378	$ 4,073,044	$ 4,762,176	$ 6,279,910	$ 5,373,359
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ -	$ 6,444	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Due to Other Funds	-	-	200,000	-	-
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	465,950	504,120	568,114	600,252	595,773
Due to Employees' Retirement System	48,019	60,459	32,521	49,556	69,309
Deferred Inflows of Resources	121,144	-	-	-	-
Overpayments and Collections in Advance	-	-	-	-	-
TOTAL LIABILITIES	$ 635,113	$ 571,023	$ 800,635	$ 649,808	$ 665,082
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ 317,354	$ 315,753
Restricted	1,519,857	1,925,735	2,549,389	886,496	2,332,742
Committed	-	-	-	2,322,783	-
Assigned	800,000	1,052,338	810,625	800,000	1,305,000
Unassigned	1,104,408	523,948	601,527	1,303,469	754,782
TOTAL FUND EQUITY	$ 3,424,265	$ 3,502,021	$ 3,961,541	$ 5,630,102	$ 4,708,277
TOTAL LIABILITIES and FUND EQUITY	$ 4,059,378	$ 4,073,044	$ 4,762,176	$ 6,279,910	$ 5,373,359

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 4,314,047	$ 4,442,267	$ 4,531,659	$ 4,621,886	$ 4,765,128
Charges for Services	121,741	14,348	9,092	22,115	14,920
Use of Money & Property	7,139	2,389	715	821	59,009
Sale of Property and Compensation for Loss	1,604	7,861	29,998	4,540	-
Miscellaneous	441,469	527,545	574,424	441,639	569,603
Revenues from State Sources	10,238,925	10,181,954	10,093,505	10,727,154	12,202,339
Revenues from Federal Sources	65,919	37,321	348,503	153,753	155,642
Total Revenues	$ 15,190,844	$ 15,213,685	$ 15,587,896	$ 15,971,908	$ 17,766,641
Other Sources:					
Interfund Transfers	25,000	-	-	788,879	70,000
Total Revenues and Other Sources	$ 15,215,844	$ 15,213,685	$ 15,587,896	$ 16,760,787	$ 17,836,641
EXPENDITURES					
General Support	$ 1,908,488	$ 1,920,849	$ 2,051,323	$ 2,354,572	$ 2,401,765
Instruction	7,234,748	7,171,530	7,076,998	7,623,180	6,957,944
Pupil Transportation	647,493	591,148	677,558	740,383	862,410
Community Services	19,224	17,055	15,365	23,311	31,526
Employee Benefits	3,902,835	4,105,372	3,763,355	4,132,954	4,406,909
Debt Service	1,021,937	952,850	831,556	849,377	1,177,977
Total Expenditures	$ 14,734,725	$ 14,758,804	$ 14,416,155	$ 15,723,777	$ 15,838,531
Other Uses:					
Interfund Transfers	458,262	817,158	1,093,985	577,490	329,549
Total Expenditures and Other Uses	$ 15,192,987	$ 15,575,962	$ 15,510,140	$ 16,301,267	$ 16,168,080
Excess (Deficit) Revenues Over Expenditures	22,857	(362,277)	77,756	459,520	1,668,561
FUND BALANCE					
Fund Balance - Beginning of Year	3,763,685	3,786,542	3,424,265	3,502,021	3,961,541
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 3,786,542	$ 3,424,265	$ 3,502,021	$ 3,961,541	$ 5,630,102

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024 Original Budget	2024 Final Budget	2024 Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes & Tax Items	$ 4,800,758	$ 4,800,758	$ 4,806,293	$ 4,938,275	$ 5,043,159
Charges for Services	-	-	30,253	-	-
Use of Money & Property	15,000	15,000	80,924	15,000	12,000
Sale of Property and					-
Compensation for Loss	1,000	1,000	350	1,000	1,000
Miscellaneous	433,100	433,100	539,190	436,100	438,600
Revenues from State Sources	13,697,978	13,697,978	13,378,841	13,207,057	13,865,830
Revenues from Federal Sources	50,000	50,000	33,890	50,000	35,000
Total Revenues	$ 18,997,836	$ 18,997,836	$ 18,869,741	$ 18,647,432	$ 19,395,589
Other Sources:					
Reserve Funds	630,000	630,000	-	542,215	365,111
Appropriated Fund Balance	800,000	800,000	-	1,305,000	1,170,188
Interfund Transfers	300,000	300,000	-	494,982	500,000
Total Revenues and Other Sources	$ 20,727,836	$ 20,727,836	$ 18,869,741	$ 20,989,629	$ 21,430,888
EXPENDITURES					
General Support	$ 2,840,147	$ 2,730,191	$ 2,620,193	$ 3,394,850	$ 3,164,575
Instruction	9,134,925	7,983,178	7,520,058	8,913,531	9,463,500
Pupil Transportation	1,090,512	1,061,214	954,129	1,222,476	1,459,148
Community Services	37,863	34,863	33,807	42,038	47,220
Employee Benefits	5,519,661	4,743,158	4,489,269	5,780,506	5,919,217
Debt Service	1,254,728	1,243,815	1,243,815	1,061,228	1,132,228
Total Expenditures	$ 19,877,836	$ 17,796,419	$ 16,861,271	$ 20,414,629	$ 21,185,888
Other Uses:					
Interfund Transfers	850,000	2,931,417	2,930,295	575,000	245,000
Total Expenditures and Other Uses	$ 20,727,836	$ 20,727,836	$ 19,791,566	$ 20,989,629	$ 21,430,888
Excess (Deficit) Revenues Over Expenditures	-	-	(921,825)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	5,630,102	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 4,708,277 #	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	$ 470,000	$ 217,157.00	$ 687,157.00
2027	490,000	200,294.00	690,294.00
2028	505,000	182,319.00	687,319.00
2029	525,000	163,469.00	688,469.00
2030	545,000	142,300.00	687,300.00
2031	525,000	120,088.00	645,088.00
2032	440,000	98,650.00	538,650.00
2033	350,000	79,500.00	429,500.00
2034	315,000	62,750.00	377,750.00
2035	335,000	47,000.00	382,000.00
2036	350,000	30,250.00	380,250.00
2037	205,000	12,750.00	217,750.00
2038	50,000	2,500.00	52,500.00
TOTALS	$ 5,105,000	$ 1,359,027.00	$ 6,464,027.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014 Reconstruction Principal	2014 Reconstruction Interest	2014 Reconstruction Total	2016 Reconstruction Principal	2016 Reconstruction Interest	2016 Reconstruction Total
2026	$ 30,000	$ 5,863.00	$ 35,863.00	$ 175,000	$ 32,188.00	$ 207,188.00
2027	30,000	4,850.00	34,850.00	180,000	28,688.00	208,688.00
2028	30,000	3,800.00	33,800.00	185,000	24,863.00	209,863.00
2029	35,000	2,713.00	37,713.00	190,000	20,700.00	210,700.00
2030	35,000	1,400.00	36,400.00	195,000	15,000.00	210,000.00
2031	-	-	-	200,000	9,150.00	209,150.00
2032	-	-	-	105,000	3,150.00	108,150.00
TOTALS	$ 160,000	$ 18,626.00	$ 178,626.00	$ 1,230,000	$ 133,739.00	$1,363,739.00

Fiscal Year Ending June 30th	2017 Reconstruction Principal	2017 Reconstruction Interest	2017 Reconstruction Total	2023 DASNY Series A Principal	2023 DASNY Series A Interest	2023 DASNY Series A Total
2026	$ 45,000	$ 12,106.00	$ 57,106.00	$ 220,000	$ 167,000.00	$ 387,000.00
2027	45,000	10,756.00	55,756.00	235,000.00	156,000.00	391,000.00
2028	45,000	9,406.00	54,406.00	245,000.00	144,250.00	389,250.00
2029	45,000	8,056.00	53,056.00	255,000.00	132,000.00	387,000.00
2030	45,000	6,650.00	51,650.00	270,000.00	119,250.00	389,250.00
2031	50,000	5,188.00	55,188.00	275,000.00	105,750.00	380,750.00
2032	50,000	3,500.00	53,500.00	285,000.00	92,000.00	377,000.00
2033	50,000	1,750.00	51,750.00	300,000.00	77,750.00	377,750.00
2034	-	-	-	315,000.00	62,750.00	377,750.00
2035	-	-	-	335,000.00	47,000.00	382,000.00
2036	-	-	-	350,000.00	30,250.00	380,250.00
2037	-	-	-	205,000.00	12,750.00	217,750.00
2038	-	-	-	50,000.00	2,500.00	52,500.00
TOTALS	$ 375,000	$ 57,412	$ 432,412	$ 3,340,000	$ 1,149,250	$ 4,489,250

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the 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 Notes.

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

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

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

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

The District 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 Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

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

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

MADRID-WADDINGTON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

M ADRID-WADDINGTON CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
June 30, 2024

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MADRID-WADDINGTON CENTRAL SCHOOL DISTRICT

BOWERS | CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF EDUCATION
MADRID-WADDINGTON 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 Madrid-Waddington Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 Madrid-Waddington Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Madrid-Waddington 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 Madrid-Waddington 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 Madrid-Waddington 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 Madrid-Waddington 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 (pages 5-24), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 83), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (pages 84-85), Schedule of District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 86), and Schedule of District's Contributions – NYSLRS Pension Plan (page 87) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madrid-Waddington Central School District's basic financial statements. The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 88-94), and the Schedule of Expenditures of Federal Awards (pages 101-102) as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 88-94), and the Schedule of Expenditures of Federal Awards (pages 101-102) are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024 on our consideration of the Madrid-Waddington 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 Madrid-Waddington 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 Madrid-Waddington Central School District's internal control over financial reporting and compliance.

Bowers & Company

Watertown, New York
October 14, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

INTRODUCTION

Our discussion and analysis of the financial performance of Madrid-Waddington Central School District (the District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was $(14,054,362) as of June 30, 2024. The District reported an increase in net position of $3,542,902 from the prior year net position of $(17,597,264). This increase is mainly due to changes in debt service requirements and changes in other post-employment benefits liability and related deferred outflows/inflows of $2,010,627.
- The District's General Fund balance decreased by $921,825 during the current year. This is mostly due to increases in operating fund transfers to the Capital Projects Fund in the amount of $2,721,417.
- During the 2023-2024 fiscal year, District completed the $5 million 2019 main building renovation capital improvement project.
- On October 15, 2023, voters approved a new capital improvement project with an aggregate cost not to exceed $15,200,000. The architectural and design phase began in 2023-2024. The project is anticipated to begin summer 2025.
- On October 15, 2023, voters approved the establishment of a Capital Reserve Fund for future capital improvement projects as well as a Transportation/Equipment Reserve Fund for future equipment and vehicle purchases.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The two sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **District-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.

- **Governmental funds** statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Table A-1	Major Features of the District-Wide and Fund Financial Statement		
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District acts as a trustee or an agent for resources that belong to others but does not have administrative control, such as property taxes collected on behalf of other governments or scholarships in a trust
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures, and Changes in Fund Balance	5. Statement of Fiduciary Net Position 6. Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow / Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS - Continued

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position, or the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds -- not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Fund Financial Statements – Continued

The District has one kind of funds:

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

The term "fund balance" refers to the particular fund's equity (Assets + Deferred Outflows of Resources – Liabilities - Deferred Inflows of Resources) in a similar manner to the way the term "net position" is used in the District-wide financial statements presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

Net Position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $14,054,362 at the close of the most recent fiscal year (see Table 1). This represents a $3,542,902 increase in the net position for the year. The overall deficit is largely due to the District's other postemployment benefit ("OPEB") liability. As of June 30, 2024, the OPEB liability was $34,886,909 compared to $34,134,840 reported at the close of the prior fiscal year.

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

In addition to assets, the *Statement of Net Position* reports 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. Included in deferred outflows of resources in the current year is $2,917,956 related to the District's participation in the NYS TRS and ERS pension systems, and $5,617,251 related to the District's OPEB Plan.

In addition to liabilities, the *Statement of Net Position* or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Included in deferred inflows of resources in the current year is $617,011 related to the District's participation in the NYS TRS and ERS pension systems, and $9,991,016 related to the District's OPEB Plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
- Continued

Table 1: Net Position – Condensed Statement of Net Position

The following table summarizes the District's net position. The complete Statement of Net Position can be found in the District's audited basic financial statements.

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
ASSETS			
Current and Other Assets	$ 7,590,309	$ 7,498,225	1.2%
Capital Assets, Net	23,372,569	22,607,556	3.4%
TOTAL ASSETS	$ 30,962,878	$ 30,105,781	2.8%
DEFERRED OUTFLOWS OF RESOURCES			
Other Postemployment Benefits	$ 5,617,251	$ 6,683,234	-16.0%
Pensions	2,917,956	3,650,676	-20.1%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 8,535,207	$ 10,333,910	-17.4%
LIABILITIES			
Current Liabilities	$ 674,531	$ 981,403	-31.3%
Long-Term Liabilities	42,269,889	42,825,620	-1.3%
TOTAL LIABILITIES	$ 42,944,420	$ 43,807,023	-2%
DEFERRED INFLOWS OF RESOURCES			
Pensions	$ 617,011	$ 410,237	50.4%
Other Postemployment Benefits	9,991,016	13,819,695	-27.7%
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 10,608,027	$ 14,229,932	-25.5%
NET POSITION			
Net Investment in Capital Assets	$ 17,265,056	$ 15,574,173	10.9%
Restricted	4,505,193	2,080,574	116.5%
Unrestricted (Deficit)	(35,824,611)	(35,252,011)	1.6%
TOTAL NET POSITION	$ (14,054,362)	$ (17,597,264)	-20.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
- Continued

Changes in Net Position

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

Table 2 below summarizes the school district's revenue and expense activity.

Table 2: Changes in Net Position – Condensed Statement of Activities

	Governmental Activities		Total % Change
	2024	**2023**	
Revenues			
General Revenues			
Property Taxes	$ 4,806,293	$ 4,765,128	0.9%
State Revenues	13,378,841	12,202,339	9.6%
Other Revenues	811,437	815,844	-0.5%
Program Revenues			
Charges for Services	125,365	169,725	-26.1%
Operating Grants & Contributions	1,785,320	2,782,429	-35.8%
Capital Grants and Contributions	-	169,272	-100.0%
Total Revenues	20,907,256	20,904,737	0.01%
Expenses			
General Support	3,588,651	2,988,602	20.1%
Instruction	11,392,662	9,198,074	23.9%
Pupil Transportation	1,478,240	1,066,244	38.6%
Community Service	34,423	23,709	45.2%
Interest Expense	176,453	339,586	-48.0%
Food Service Program	693,925	545,690	27.2%
Total Expenses	17,364,354	14,161,905	22.6%
Total Change in Net Position	$ 3,542,902	$ 6,742,832	-47.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
- Continued

Governmental Activities

The cost of all governmental activities this year was $17,364,354.

Table 3 presents the net cost (total cost less fees generated by the activities and intergovernmental aid) of various District functions. The net cost reflects what was funded by charges for services and operating and contributions.

Table 3 - Net Cost of Governmental Activities

	Governmental Activities	
	2024	**2023**
Net Expenses (Revenues)		
General Support	$ 3,588,651	$ 2,864,676
Instruction	10,031,676	6,640,562
Pupil Transportation	1,478,240	1,066,244
Community Service	34,423	23,709
Interest Expense	176,453	339,586
Food Service Program	144,226	105,702
TOTAL NET EXPENSES (REVENUES)	$ 15,453,669	$ 11,040,479

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

REVENUES

The next several paragraphs explain the revenues in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the revenues from year-end 2023 to 2024 and second, a pie chart illustrating the percentage of revenues to the total by category.

The District's total revenues were $20,907,256, an increase of $2,519 or approximately .01%. State generated revenue increased $1,176,502 as a result of the increase in Foundation aid and Excess Cost Aid. Operating grant revenue decreased by $997,109 in 2023-2024. State aid accounted for 64% of all revenues. The District is heavily dependent on property tax, state and federal aid for its funding.

Charges for Services showed a decrease of approximately 26.14% due to a variety of factors. This was primarily due to a decrease in school food service fund meal charges.

Tax levy revenue accounted for another 23% of total revenues, increasing .86% or $41,165. This increase represents the amount needed to fund the increased budget approved by the voters. Of the revenue from the tax levy, property taxes accounted for 86% or $4,136,396 and other tax items (STAR reimbursement and interest and penalties) accounted for 14% or $669,897.

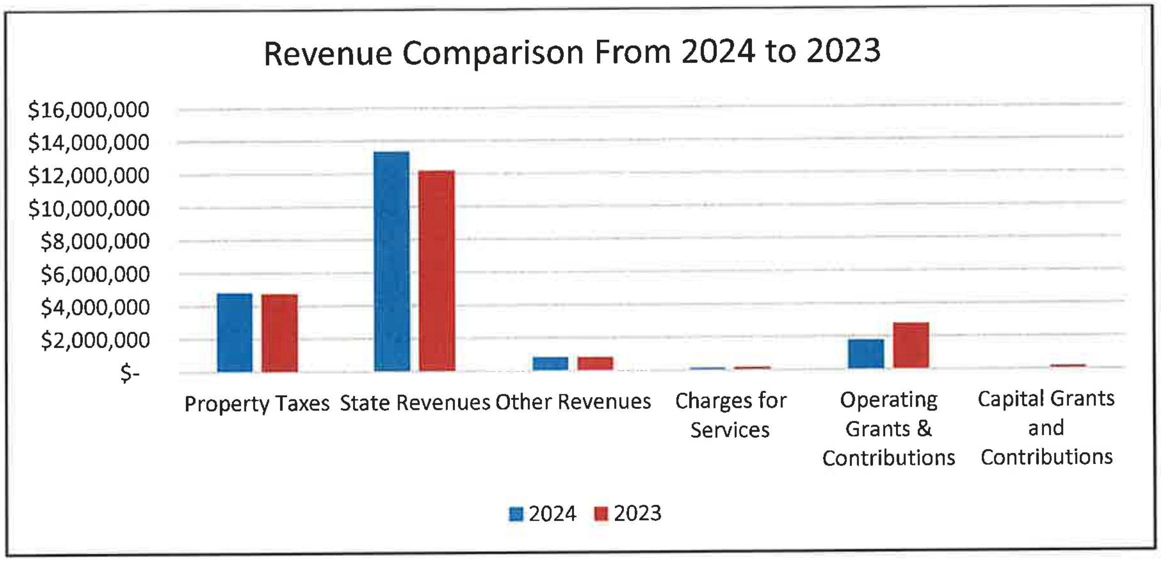
State revenues increased overall by 9.64% or $1,176,502 in the 2023-2024 fiscal year compared to 2022-2023.

Other revenues decreased by $4,407 or .54% over the 2022-2023 fiscal year.

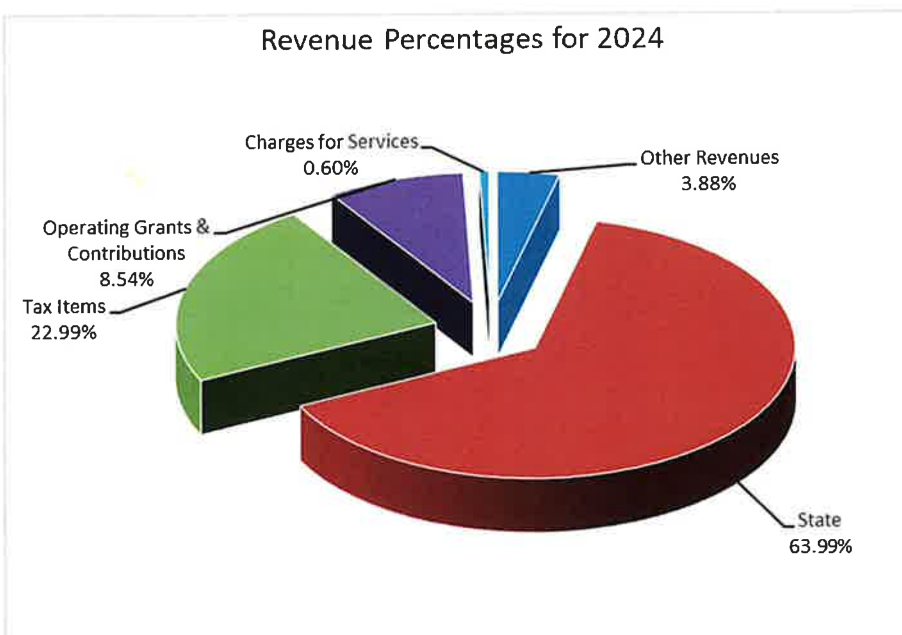
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

REVENUES - Continued

The following bar graph compares the revenues in 2023-2024 to 2022-2023. This chart indicates the total revenue in dollars by category for each fiscal year.



The following pie chart summarizes the revenues for the fiscal year 2023-2024. The chart illustrates the percentage of revenues to the total by category.



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

EXPENSES

The next several paragraphs explain the expenses in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. These changes are illustrated in Condensed Statement of Activities (Table 2) and in the Net Cost of Governmental Activities (Table 3). Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the expenses from year end June 30, 2023 to June 30, 2024, and second, a pie chart illustrating the percentage of expenses to the total by category.

The total cost of all programs and services was $17,364,354. This is an increase of $3,202,449 from the 2022-2023 fiscal year. This increase is mostly due to the net expense recorded for the District's Net Pension liability and related deferred outflows and deferred inflows of resources of $518,299. This expense has been allocated to the District's programs and services.

General support, which includes administrative activities and plant services, accounted for 20.67% of total costs. General support expenses increased 20.08% from the prior year or $600,049.

Instruction: The District's expenses are predominately related to educating and caring for students, are 65.61% of total expenses. Instructional expenses increased by 23.86% or $2,194,588 from the previous year.

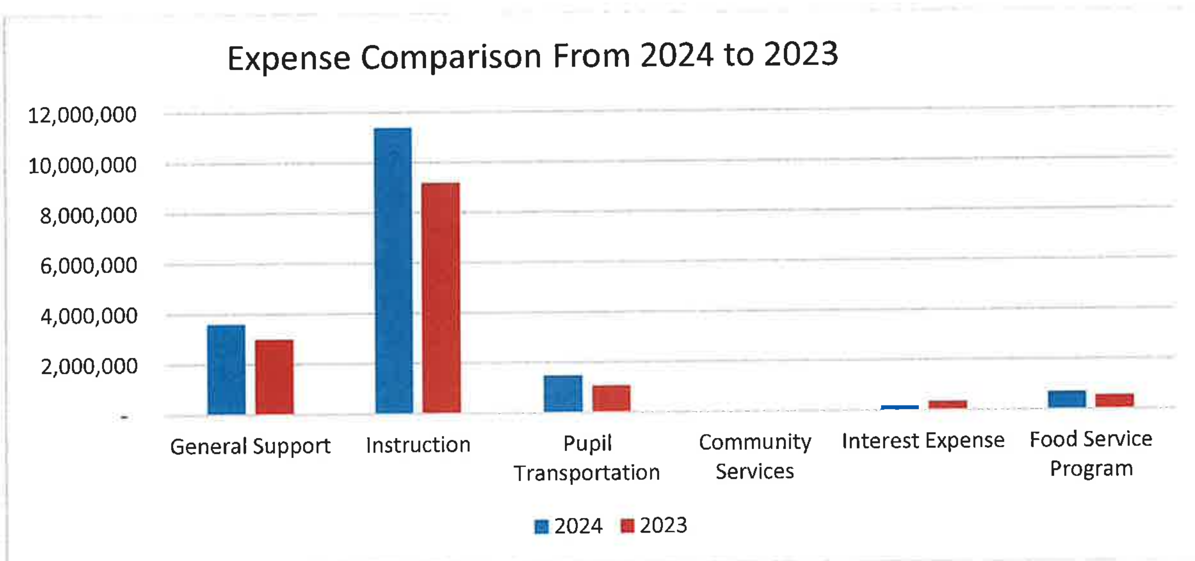
Pupil Transportation expenses account for 8.51% of total expenses. Transportation expenses increased 38.64% or approximately $411,966.

School Food Service Program, also known as the cafeteria fund, is included in the condensed statement of activities (Table 2). The school food service program is designed to be self-supporting, with revenues expected to match expenses. School food service expenses increased $148,235.

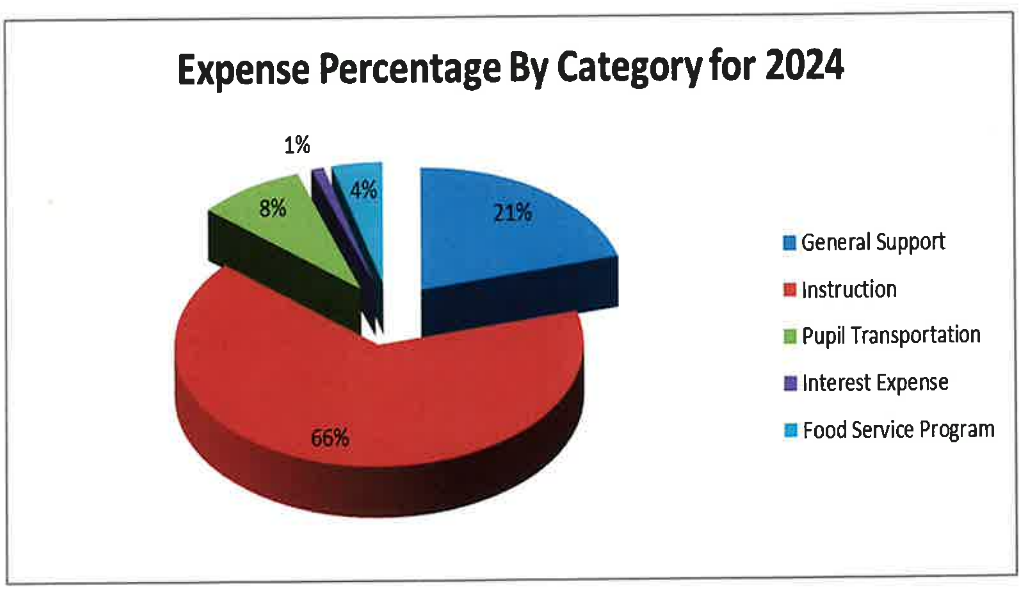
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

EXPENSES - Continued

The following bar graph compares the expenses in 2023-2024 to 2022-2023. This chart indicates the total expense in dollars by category for each fiscal year:



The following pie chart summarizes the expenses for the fiscal year 2023-2024. This chart illustrates the percentage of expenses to the total by category.



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS

Revenues

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The following summarizes the main components of the General Fund revenues:

Property Taxes: Revenue of $4,136,396 represents 21.92% of total General Fund revenues. The property tax levy budget in 2023-2024 increased 1.34% or $63,507 over 2022-2023. The District stayed within the 2% Property Tax Cap.

Charges for Services: Revenue includes tuition fees and other items. The actual revenue in this category is higher than budget.

Miscellaneous: Revenue includes items such as the BOCES refund of prior year expenditures and the Medicare Part D subsidy. The large variance between actual and budgeted in this category is due to the BOCES refund of $269,803. The District budgeted $190,000, a $79,803 variance. In the budget process, the District underestimated the BOCES refund revenue source because the refund is unknown and not measurable at that time.

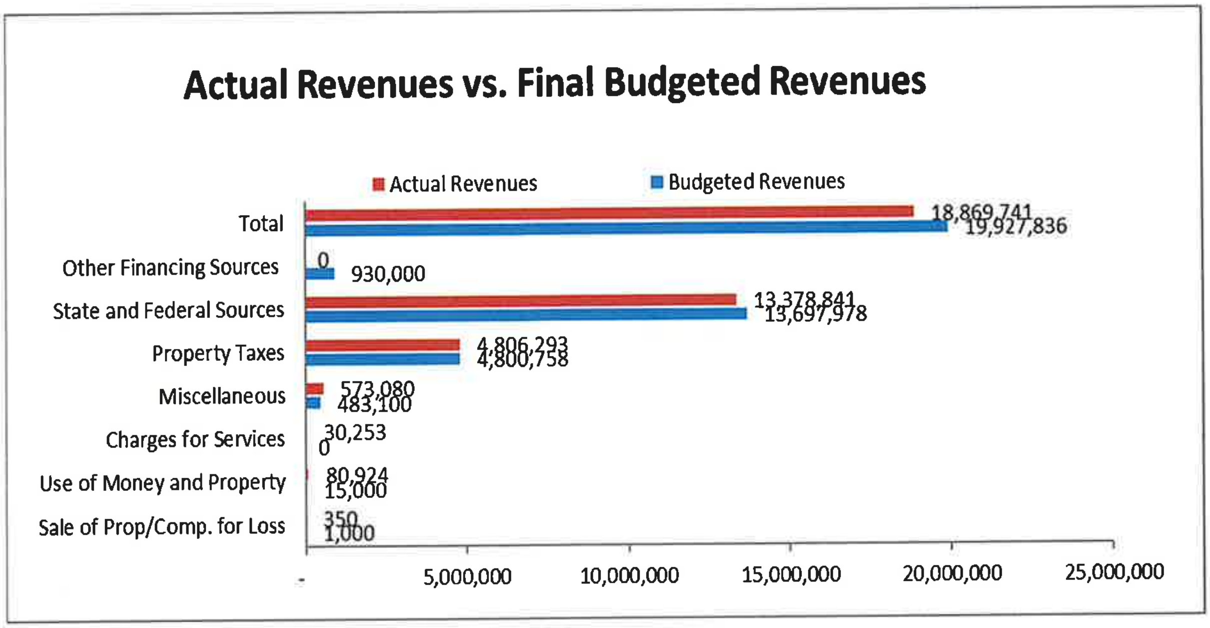
State Aid: The major source of revenue was $13,378,841 in state aid. State aid consists of foundation aid, building aid, transportation aid, lottery aid, BOCES aid, and instructional materials aid. This represents 70.9% of the entire revenue of the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS - Continued

Revenues – Continued

The bar graph below illustrates the actual revenues relative to the final budgeted revenues:



Expenditures

The District had no changes from the overall original expenditure budget of $20,727,836 for the 2023-2024 school year.

Actual expenditures totaled $19,791,566 for a favorable variance of $936,270. The bar graph below illustrates how the actual expenditures are distributed and how they compare to the final budgeted appropriations.

District practice, as a means of budgetary control, is to under-expend in all functional budget codes. This strategy was successful during 2023-2024 as exhibited in the bar graph on the following page. The three categories deserving mention include instruction, employee benefits and general support.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS - Continued

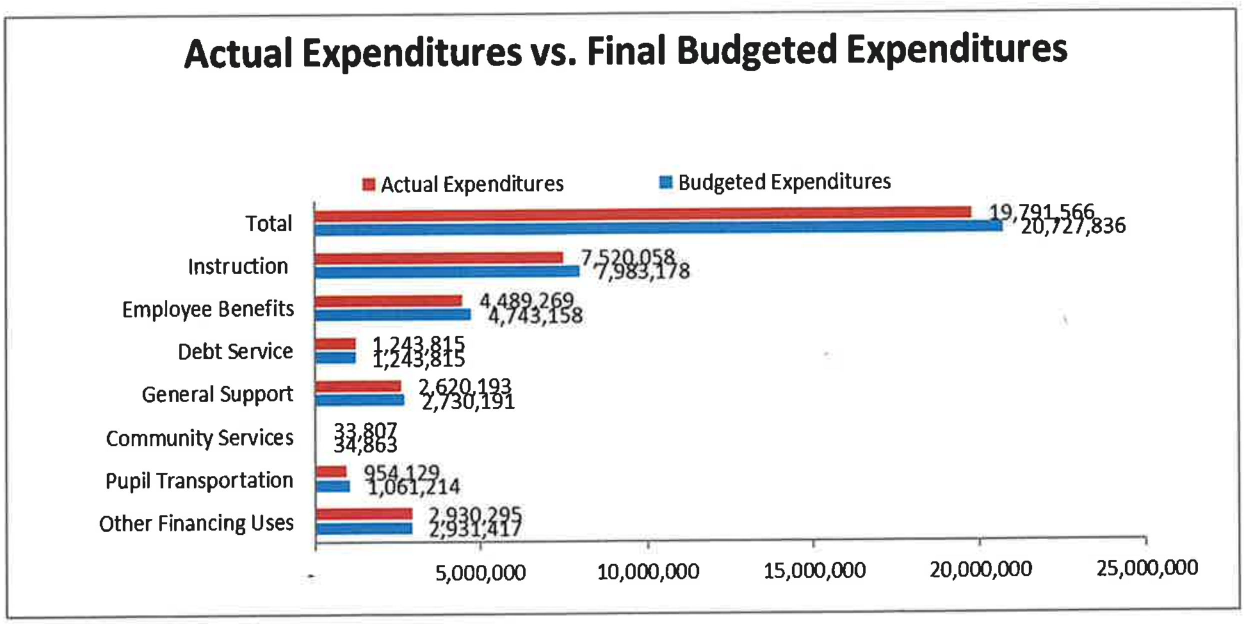
Expenditures - Continued

Instruction: The variance from budget to actual for instructional expenses totaled $463,120 with the largest deviation in the area of programs for children with handicapping conditions. This is mostly due to fluctuations in the enrollment of special needs students within the District.

Employee Benefits: The discrepancy in employee benefits from budget to actual totals $253,889. The budget to actual variances are evident in teachers retirement expense, social security expense and health insurance benefits for active and retired employees.

General Support: The variance from budget to actual for general support is $109,998 with the largest difference being central services in 2023-2024. Fluctuating costs for repairs and utilities were the main reasons for this variance.

The bar graph below illustrates the actual expenses relative to the final budgeted expenses:



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $6,925,227 as compared to last year's ending fund balance of $6,645,476.

General Fund:

The General Fund showed a negative change in the total fund balance from the previous year; the fund balance at June 30, 2024 was $4,708,277 compared to $5,630,102 at June 30, 2023. This is a decrease of $921,825.

Capital Projects Funds:

The Capital Projects Fund – Main 2023 showed a total fund balance of $920,922 on June 30, 2024, which is mostly a result of the General Fund transfers for the 2023 Building Project.

School Food Service (Cafeteria) Fund:

Expenditures in the School Food Service Fund largely reflect food costs, employee wages, and fringe benefits. The benefits are negotiated through the CSEA Local Union's unit contractual agreement. The School Food Service Fund total fund balance at June 30, 2024 was $61,151, inclusive of $26,781 in Nonspendable fund balance (inventories).

Special Aid Fund:

Federal and state grants provide funding for specific purposes ranging from reading improvement to servicing the needs of special education students.

It is important to note that half of these grants have a fiscal year, which runs from September 1 to August 31, which differs from the school fiscal year of July 1 to June 30. Therefore, there are funds being spent during the summer months, which result in carry over amounts as of the June 30, 2024 school year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS - Continued

Special Aid Fund - Continued:

During 2023-2024, Special Aid Fund revenues decreased approximately 44.17% compared to 2022-2023. This decrease was mainly the result of the Education Stabilization Funds the District used in the amount of $756,160, a decrease of $823,419 from 2022-2023. The following table illustrates the revenues and expenditures recorded in the Special Aid Fund as compared to the previous year.

Table 4: Special Aid Fund Revenues and Expenses:

	2024	2023	Change (+/-)
Revenues			
State Sources	$ 143,343	$ 183,540	$ (40,197)
Federal Sources	1,187,390	2,190,080	(1,002,690)
Interfund Transfer In	8,878	25,778	(16,900)
TOTAL REVENUES	$ 1,339,611	$ 2,399,398	$ (1,059,787)
Expenses			
Instruction	$ 1,095,490	$ 2,045,461	$ (949,971)
Pupil Transportation	12,083	17,717	(5,634)
Employee Benefits	232,038	382,705	(150,667)
TOTAL EXPENSES	$ 1,339,611	$ 2,445,883	$ (1,106,272)

All federal and state grants require the filing of an original budget, a budget amendment (if necessary), and a final cost report at the end of the project.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets provide a picture of capital assets over time. These include land, buildings, and equipment and furniture. At June 30, 2024, the District had $23,372,569 invested in a broad range of capital assets, including land, buildings and improvements, equipment and vehicles. See Table 5. More detailed information about the District's capital assets is presented in the notes to the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION - Continued

Table 5 - Capital Assets

	Governmental Activities		Total $ Change
	2024	2023	2023-2024
Land	$ 19,000	$ 19,000	$ -
Construction In Progress	779,078	4,960,376	(4,181,298)
Buildings and Improvements	36,362,572	31,301,436	5,061,136
Site Improvements	1,074,975	1,074,975	-
Furniture and Equipment	5,000,318	4,945,910	54,408
Vehicles	1,935,721	1,751,299	184,422
Intangible Lease Asset - Equipment	115,353	116,499	(1,146)
Totals at Historical Cost	45,287,017	44,169,495	1,117,522
Less: Total Accumulated Depreciation and Amortization	21,914,448	21,561,939	352,509
CAPITAL ASSETS, NET	$ 23,372,569	$ 22,607,556	$ 765,013

Long-Term Debt

As of June 30, 2024, the District had $42,269,889 in long-term debt, consisting of general obligation bonds, other postemployment benefits payable, lease liabilities, and amounts owed to employees upon their separation from service for accrued sick time, in accordance with labor contracts, as shown in Table 6.

Table 6 - Long-Term Debt

	Governmental Activities		Total $ Change
	2024	2023	2023-2024
General Obligation Bonds	$ 6,040,235	$ 6,967,251	$ (927,016)
Other Post Employment Benefits	34,886,909	34,134,840	752,069
Compensated Absences	249,833	210,568	39,265
Lease Liability	67,278	66,132	1,146
Net Pension Liability - Proportionate Share	1,025,634	1,446,829	(421,195)
TOTAL LONG-TERM DEBT	$ 42,269,889	$ 42,825,620	$ (555,731)

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

Many factors were considered by the District's administration during the process of developing the fiscal 2024-2025 budget. The primary factors were maintaining the District's program offerings and facilities, changes in enrollment, changes in grant funding in some areas, the costs of employee benefits, diesel fuel, and utilities. Economic uncertainty is a major factor that often makes it difficult to accurately project future budgets. With questionable economic environment, it is difficult to project the financial impact on the School District.

These indicators were considered when adopting the budget for fiscal year 2024-2025. Total General Fund budgeted appropriations in the amount of $20,989,629 were budgeted, an increase of $261,793 from the original 2023-2024 budget of $20,727,836. The most significant changes in the 2024-2025 budget appropriations compared to the 2023-2024 budget were as follows:

- Student Instructional Expenses $502,452
- Transfers to Other Funds $(275,000)
- Debt Service Payments $(193,500)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Madrid-Waddington Central School District Business Office, 2582 State Highway 345, Madrid, NY 13660.

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2024

ASSETS		
Cash and Cash Equivalents		
Unrestricted	$	1,495,500
Restricted		4,502,396
Receivables		
State and Federal Aid		693,793
Due From Other Governments		556,086
Inventories		26,781
Prepaid Expenditures		315,753
Capital Assets, Net		23,372,569
TOTAL ASSETS	$	30,962,878
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	$	5,617,251
Pensions		2,917,956
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$	8,535,207
LIABILITIES		
Payables		
Accrued Interest on Bonds Payable	$	9,449
Due to Teachers' Retirement System		595,773
Due to Employees' Retirement System		69,309
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premium		487,016
Lease Liability		21,429
Due and Payable After One Year		
Bonds Payable, Net of Unamortized Premium		5,553,219
Lease Liability		45,849
Compensated Absences Payable		249,833
Net Pension Liability - Proportionate Share		1,025,634
Other Postemployment Benefits Payable		34,886,909
TOTAL LIABILITIES	$	42,944,420
DEFERRED INFLOWS OF RESOURCES		
Pensions	$	617,011
Other Postemployment Benefits		9,991,016
TOTAL DEFERRED INFLOWS OF RESOURCES	$	10,608,027
NET POSITION		
Net Investment in Capital Assets	$	17,265,056
Restricted for:		
Debt Service		1,165,029
Other Legal Restrictions		3,340,164
Unrestricted (Deficit)		(35,824,611)
TOTAL NET POSITION	$	(14,054,362)

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

Year Ended June 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expenses) Revenues and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 3,588,651	$ -	$ -	$ (3,588,651)
Instruction	11,392,662	30,253	1,330,733	(10,031,676)
Pupil Transportation	1,478,240	-	-	(1,478,240)
Community Service	34,423	-	-	(34,423)
Debt Service - Interest	176,453	-	-	(176,453)
School Food Service	693,925	95,112	454,587	(144,226)
Total Functions and Programs	$ 17,364,354	$ 125,365	$ 1,785,320	(15,453,669)
GENERAL REVENUES				
Real Property Taxes				4,136,396
Other Tax Items				669,897
Use of Money and Property				103,599
State Sources				13,378,841
Medicare Reimbursement				33,890
Miscellaneous				673,948
Total General Revenues				18,996,571
Change in Net Position				3,542,902
Net Position - Beginning of Year				(17,597,264)
Net Position - End of Year				$ (14,054,362)

See notes to audited basic financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

	General	Special Aid	Capital Projects - Main 2023
ASSETS			
Cash and Cash Equivalents			
Unrestricted	$ 1,320,257	$ 164,450	$ -
Restricted	2,332,742	-	918,125
Receivables			
Due From Other Funds	548,005	-	2,797
State and Federal Aid	300,516	361,088	-
Due From Other Governments	556,086	-	-
Inventories	-	-	-
Prepaid Expenditures	315,753	-	-
TOTAL ASSETS	$ 5,373,359	$ 525,538	$ 920,922
LIABILITIES			
Payables			
Due to Other Funds	$ -	$ 525,538	$ -
Due to Teachers' Retirement System	595,773	-	-
Due to Employees' Retirement System	69,309	-	-
Total Liabilities	665,082	525,538	-
FUND BALANCES (DEFICITS)			
Nonspendable	315,753	-	-
Restricted	2,332,742	-	920,922
Assigned	1,305,000	-	-
Unassigned (Deficit)	754,782	-	-
Total Fund Balances (Deficits)	4,708,277	-	920,922
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 5,373,359	$ 525,538	$ 920,922

Debt Service	Total Non-Major Funds	Total Governmental Funds
$ -	$ 10,793	$ 1,495,500
1,165,029	86,500	4,502,396
-	-	550,802
-	32,189	693,793
-	-	556,086
-	26,781	26,781
-	-	315,753
$1,165,029	$ 156,263	$ 8,141,111
$ -	$ 25,264	$ 550,802
-	-	595,773
-	-	69,309
-	25,264	1,215,884
-	26,781	342,534
1,165,029	86,500	4,505,193
-	34,370	1,339,370
-	(16,652)	738,130
1,165,029	130,999	6,925,227
$1,165,029	$ 156,263	$ 8,141,111

See notes to audited basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2024

Total Fund Balances - Governmental Funds			$ 6,925,227
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Proportionate share of long-term liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.			
Net Pension Liability - Proportionate Share - TRS	$	324,904	
Net Pension Liability - Proportionate Share - ERS		700,730	(1,025,634)
Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:			
Pensions	$	617,011	
Other Postemployment Benefits		9,991,016	(10,608,027)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consists of:			
Pensions	$	2,917,956	
Other Postemployment Benefits		5,617,251	8,535,207
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:			
Cost of Capital Assets	$	45,287,017	
Accumulated Depreciation and Amortization		(21,914,448)	23,372,569
Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the fund statements. Long-term liabilities, at year end, consist of:			
Bonds Payable	$	5,560,000	
Premium on Bond Issue		480,235	
Accrued Interest on Bonds Payable		9,449	
Lease Liability		67,278	
Compensated Absences Payable		249,833	
Other Postemployment Benefits Payable		34,886,909	(41,253,704)
Total Net Position - Governmental Activities			$ (14,054,362)

See notes to audited basic financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2024

	General	Special Aid	Capital Projects - Main 2023
REVENUES			
Real Property Taxes	$4,136,396	$ -	$ -
Other Tax Items	669,897	-	-
Charges for Services	30,253	-	-
Use of Money and Property	80,924	-	-
Sale of Property and Compensation for Loss	350	-	-
State Sources	13,378,841	143,343	-
Federal Sources	-	1,187,390	-
Surplus Food	-	-	-
Sales - School Food Service	-	-	-
Medicaid Reimbursement	33,890	-	-
Miscellaneous	539,190	-	-
Total Revenues	18,869,741	1,330,733	-
EXPENDITURES			
General Support	2,620,193	-	-
Instruction	7,520,058	1,095,490	-
Pupil Transportation	954,129	12,083	-
Community Service	33,807	-	-
Employee Benefits	4,489,269	232,038	-
Debt Service:			
Principal	916,141	-	-
Interest	327,674	-	-
Cost of Sales - School Food Service	-	-	-
Other Expenditures	-	-	-
Capital Outlay	-	-	779,078
Total Expenditures	16,861,271	1,339,611	779,078
Excess (Deficiency) of Revenues Over Expenditures	2,008,470	(8,878)	(779,078)
OTHER FINANCING SOURCES AND (USES)			
Proceeds from Debt	-	-	-
Operating Transfers In	-	8,878	1,700,000
Operating Transfers (Out)	(2,930,295)	-	-
Total Other Financing Sources and (Uses)	(2,930,295)	8,878	1,700,000
Net Change in Fund Balances (Deficits)	(921,825)	-	920,922
Fund Balances (Deficits) - Beginning of Year	5,630,102	-	-
Fund Balances (Deficits) - End of Year	$4,708,277	$ -	$ 920,922

Debt Service	Total Non-Major Funds	Total Governmental Funds
$ -	$ -	$ 4,136,396
-	-	669,897
-	-	30,253
21,694	631	103,249
-	-	350
-	127,992	13,650,176
-	296,125	1,483,515
-	30,470	30,470
-	95,112	95,112
-	-	33,890
-	134,758	673,948
21,694	685,088	20,907,256
-	-	2,620,193
-	-	8,615,548
-	-	966,212
-	-	33,807
-	104,685	4,825,992
-	-	916,141
-	-	327,674
-	612,421	612,421
-	141,044	141,044
-	811,682	1,590,760
-	1,669,832	20,649,792
21,694	(984,744)	257,464
-	22,287	22,287
42,412	1,221,417	2,972,707
-	(42,412)	(2,972,707)
42,412	1,201,292	22,287
64,106	216,548	279,751
1,100,923	(85,549)	6,645,476
$1,165,029	$ 130,999	$ 6,925,227

See notes to audited basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds			$ 279,751
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, assets with an initial individual cost of more than $5,000 are capitalized and in the Statement of Activities the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.			
	Capital Outlays	$ 1,623,833	
	Depreciation and Amortization Expense	(858,820)	765,013
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period for bonds and lease liabilities.			916,141
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is decreased by the amount of amortization of bond premiums and the decrease in accrued interest on bonds.			151,221
Proceeds of long-term debt and lease obligations are recorded as an other financing sources for governmental funds but are not recorded in the Statement of Activities. This is the amount of proceeds from lease obligations received in the current year.			
	Operating Lease	$ 22,287	(22,287)

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - CONTINUED

Year Ended June 30, 2024

In the Statement of Activities, certain operating expenses-compensated absences (vacations and certain sick pay), special termination benefits (early retirement) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).			(39,265)
On the Statement of Activities, the actual and projected long-term expenditures for postemployment benefits and related outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.			2,010,627
Increases in proportionate share of net pension asset (liability) and related deferred outflows/inflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.			
Teachers' Retirement System	$	(389,645)	
Employees' Retirement System		(128,654)	(518,299)
Change in Net Position of Governmental Activities			$ 3,542,902

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB 39, *Component Units*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39, GASB Statement 80 - Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, GASB 84, *Fiduciary Activities,* and GASB 97, *Certain Component Unit Criteria*, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 And No. 84, and a Supersession of GASB 32. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Extra Classroom Activity Funds

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

Joint Venture

The District is a component unit in the St. Lawrence – Lewis 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 that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the District was billed $2,988,749 for BOCES administrative, capital, and program costs.

The District's share of BOCES aid amounted to $1,505,999. This represents State aid distributions of $1,236,196 and 2023 fund balance returned to schools of $269,803.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation

District-Wide Statements

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

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

Fund Statements

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

The District reports the following governmental funds:

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition, extra classroom activity funds which the District has administrative involvement or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for specific educational programs.

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Extra Classroom Activity Funds: Used to account for funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extra classroom activity funds are independent of the District with respect to its financial transactions and the designation of student management.

Scholarships and Awards Fund: Used to account for proceeds received from various individuals and organizations that are restricted for specific scholarship and award programs not under specific trust arrangements.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State Aid, grants and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from State Aid is recognized in the fiscal year it is appropriated by the State. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pensions, and other post-employment benefits which are recognized as expenditures to the extent they have matured. General capital asset, intangible lease asset, and intangible subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases and subscriptions with terms greater than one year are reported as other financing sources.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2023 and become a lien on August 15, 2023. Taxes are collected during the period from September 1, 2023 to October 31, 2023.

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

Restricted Resources

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

Interfund Transactions

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

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses 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 capital assets, intangible lease assets, and intangible subscription assets.

Cash and Cash Equivalents

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

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

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

Inventories and Prepaid Items

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaids) has been identified as not available for other subsequent expenditures.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

Other Assets

In the District-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

Capital Assets and Intangible Lease Assets

Capital assets are reported at actual cost or estimated historical cost, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and construction in progress are not depreciated.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 5,000	N/A	N/A
Buildings and Improvements	5,000	Straight-line	25-50 Years
Site Improvements	5,000	Straight-line	20 Years
Furniture and Equipment	5,000	Straight-line	5-20 Years
Vehicles	5,000	Straight-line	8 Years

The District does not possess any infrastructure.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets and Intangible Lease Assets – Continued

Intangible lease 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, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of $5,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the lease term (3-5 years) consistent with the decrease in the related lease liability or using the straight-line method if there is no corresponding lease liability.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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 asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience and the changes of assumptions or other inputs. The third item is the District's contributions to the New York State Teachers' and Employees' pension systems and to the Other Postemployment Benefit (OPEB) plan subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS system) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the Districtwide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Unearned Revenue

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

Vested Employee Benefits

Compensated Absences

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

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

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

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Other Benefits

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

District employees may choose to participate in the district's elective deferred compensation plans established under internal revenue code sections 403(b) and 457.

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

Short-Term Debt

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Accrued Liabilities and Long-Term Obligations

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

District-Wide Statements

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

Net Investment in Capital Assets - consists of net capital assets (cost less accumulated depreciation) and intangible lease assets (present value of future payments remaining on the term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

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

Unrestricted Net Position - reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Statements

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications - Continued

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance typically includes the inventory recorded in the School Food Service Fund and prepaid expenditures recorded in the General Fund. The School Food Service Fund had $26,781 of actual inventories on hand and the General Fund had $315,753 of prepaid expenditures as of June 30, 2024.

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

Employee Benefit Accrued Liability

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

Unemployment Insurance

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

Retirement Contributions

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

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Insurance Reserve Fund

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

Capital Project Funds

According to constraints placed on the use of resources established by approved capital projects, must be used for the specific purpose outlined in the approved proposition. These monies are accounted for in the Capital Projects Fund.

Capital Reserve

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

Extra Classroom Activity Funds

According to the regulations of the Commissioner of Education (8 NYCRR Part 172), the Board of Education of the District is required to make the rules and regulations for the establishment, conduct, operation, and maintenance of extra classroom activities and for the safeguarding, accounting and audit of all moneys received. According to the regulations of the Board of Education, the monies represent the funds of the students of the District and must be used by the student organizations of the District. These monies are accounted for the in Extra Classroom Activity Funds.

Scholarships and Awards Fund

According to constraints placed on the use of resources established by various scholarship and award programs, must be used for the specific purpose outlined in the program. These monies are accounted for in the Scholarships and Awards Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

Restricted fund balances include the following:

General Fund		
Employee Benefit Accrued Liability	$	199,072
Unemployment Insurance		41,765
Insurance		661,488
Capital		1,355,417
Retirement Contributions NYSTRS		75,000
Capital Projects Fund		920,922
Debt Service Fund		1,165,029
Extra Classroom Activity Funds		73,342
Scholarships and Awards Fund		13,158
Total Restricted Funds	$	4,505,193

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

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $0. Any remaining fund balance in other funds is considered assigned.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2024, the District implemented the following new statement issued by GASB:

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended June 30, 2024.

Future Changes in Accounting Standards

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

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ended June 30, 2025.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ended June 30, 2026.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Future Changes in Accounting Standards – Continued

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

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

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities

Differences between the funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

1. Long-Term Revenue and Expense 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.

2. Capital Related Differences:

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

3. Long-Term Debt Transaction Differences:

   Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

4. 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities - Continued

5. OPEB Differences:

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

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

Budgets - Continued

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

Special Revenue Funds have not been included in the comparison because they do not have a legally authorized (appropriated) budget.

Encumbrances

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

Other

The Capital Projects Fund – Other shows an unassigned fund balance deficit of $(16,652) specific to Security - Smart Schools Bond activities. This will be eliminated when the District transfers additional funds in the subsequent fiscal years.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Cash

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

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

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 5,874,983

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $2,332,742 restricted for various fund balance reserves in the General Fund, $1,165,029 for debt services payments in the Debt Service Fund, $918,125 for a voter approved capital project in the Capital Projects – 2023 Main, $73,342 restricted for extra classroom activities in the Extra Classroom Activity Fund, and $13,158 restricted for scholarships and awards in the Scholarships and Awards Fund within the governmental funds.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2024 all deposits were fully insured and collateralized by the District's agent, but not in the District's name.

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

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

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS

In accordance with the provisions of GASB Statement No 87, *Leases*, the District has recognized an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various items and other equipment.

Capital asset and intangible lease asset balances and activity for the year ended June 30 are as follows:

Governmental Activities	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	$ 19,000	$ -	$ -	$ 19,000
Construction In Progress	4,960,376	779,839	(4,961,137)	779,078
Total Nondepreciable Assets	4,979,376	779,839	(4,961,137)	798,078
Capital Assets That Are Depreciated:				
Buildings and Improvements	31,301,436	99,999	4,961,137	36,362,572
Site Improvements	1,074,975	-	-	1,074,975
Furniture and Equipment	4,945,910	54,408	-	5,000,318
Vehicles	1,751,299	667,300	(482,878)	1,935,721
Intangible Lease Asset - Equipment	116,499	22,287	(23,433)	115,353
Total Other Capital Assets	39,190,119	843,994	4,454,826	44,488,939
Less: Accumulated Depreciation				
Buildings and Improvements	15,273,962	510,020	-	15,783,982
Site Improvements	1,072,100	896	-	1,072,996
Furniture and Equipment	4,036,852	122,622	-	4,159,474
Vehicles	1,128,278	203,862	(482,878)	849,262
Total Accumulated Depreciation	21,511,192	837,400	(482,878)	21,865,714
Less: Accumulated Amortization				
Intangible Lease Asset - Equipment	50,747	21,420	(23,433)	48,734
Total Accumulated Amortization	50,747	21,420	(23,433)	48,734
Total Other Capital Assets, Net	17,628,180	(14,826)	4,961,137	22,574,491
Capital Assets, Net	$ 22,607,556	$ 765,013	$ -	$ 23,372,569

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS– Continued

Depreciation and amortization expense was charged to governmental functions as follows:

General Support	$	597,714
Instruction		45,436
Pupil Transportation		203,862
School Food Service		11,808
Total Depreciation and Amortization Expense	$	858,820

NOTE 6 - SHORT-TERM DEBT OBLIGATIONS

There is no short-term debt outstanding for the fiscal year ended June 30, 2024.

NOTE 7 - LONG-TERM DEBT OBLIGATIONS

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds

The 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. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - LONG-TERM DEBT OBLIGATIONS – Continued

Lease Liabilities

The District enters into agreements to lease information technology equipment. Leases with a lease term greater than twelve months are recorded at the present value of the future minimum lease payments as of the date of their inception.

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

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance	Amount Due Within One Year
Long-Term Liabilities					
General Obligation Debt					
Serial Bonds	$ 6,455,000	$ -	$ 895,000	$ 5,560,000	$ 455,000
Premium on Obligations	512,251	-	32,016	480,235	32,016
Total Long-Term Liabilities	6,967,251	-	927,016	6,040,235	487,016
Other Long-Term Liabilities					
Compensated Absences Payable	210,568	39,265	-	249,833	-
Lease Liability	66,132	22,287	21,141	67,278	21,429
Other Postemployment Benefits Liability	34,134,840	752,069	-	34,886,909	-
Net Pension Liability - Proportionate Share	1,446,829	-	421,195	1,025,634	-
Total Other Long-Term Liabilities	35,858,369	813,621	442,336	36,229,654	21,429
Total Governmental Activities	$ 42,825,620	$ 813,621	$ 1,369,352	$ 42,269,889	$ 508,445

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences and other postemployment benefits payable.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - LONG-TERM DEBT OBLIGATIONS - Continued

Existing serial and statutory obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Serial Bond 2015	1/1/2015	6/15/2030	4.00%	$ 190,000
Serial Bond 2016	1/28/2016	6/15/2032	1.70-3.00%	1,400,000
Serial Bond 2017	4/19/2017	6/15/2033	3.20%	420,000
Serial Bond 2023	6/15/2023	6/15/2038	5.00%	3,550,000
				$ 5,560,000

The following is a summary of debt service requirements for bonds payable at year-end June 30:

	Principal	Interest	Total
2025	$ 455,000	$ 233,382	$ 688,382
2026	470,000	217,157	687,157
2027	490,000	200,294	690,294
2028	505,000	182,319	687,319
2029	525,000	163,469	688,469
2030-2034	2,175,000	550,288	2,725,288
2035-2038	940,000	45,500	985,500
Total	$ 5,560,000	$ 1,592,409	$ 7,152,409

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - LONG-TERM DEBT OBLIGATIONS - Continued

Existing lease obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Copier Lease 2021	9/1/2021	9/1/2026	1.91%	$ 26,257
Copier Lease 2023	4/1/2023	4/1/2028	1.91%	22,304
Copier Lease 2024	8/1/2023	8/1/2028	1.91%	18,717
				$ 67,278

The following is a summary of debt service requirements for lease liabilities at year-end June 30:

	Principal	Interest	Total
2025	$ 21,429	$ 1,054	$ 22,483
2026	21,839	645	22,484
2027	13,252	298	13,550
2028	9,982	98	10,080
2029	776	1	777
Total	$ 67,278	$ 2,096	$ 69,374

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

Interest Paid	$ 327,674
Less: Interest Accrued in the Prior Year	(128,654)
Less: Amortization of Premium on Obligation	(32,016)
Plus: Interest Accrued in the Current Year	9,449
Total Interest on Long-Term Debt	$ 176,453

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS

General Information

The District participates in the New York State Teachers' Retirement System (NYSTRS) and the New York State Employees' Retirement System (NYSERS). These are cost-sharing multiple employer public employee defined benefit retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

Teachers' Retirement System (TRS) Plan Description

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS- Continued

Employees' Retirement System (ERS) Plan Description

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

TRS Benefits Provided

Benefits

The benefits provided to members of the System are established by 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 are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits for Tiers 1-6 are now vested after 5 years of credited services. Prior to April 9, 2022, Tier 5 and 6 members had to attain 10 years of state service credit to be vested. Benefits are payable at age 55 or greater with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of maximum annual benefit. The applicable percentage payable beginning September 2022 and 2021 is 3.0% and 1.4%, respectively. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

ERS Benefits Provided

Benefits

The System provides retirement benefits as well as death and disability benefits.

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS – Continued

ERS Benefits Provided - Continued

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years.

Tier 3, 4, and 5

Eligibility: Tier 3, 4 and 5 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 2 years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

ERS Benefits Provided - Continued

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 5 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the 5 highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 4 years.

Vested Benefits

Members who joined the System prior to January 1, 2010 need 5 years of service to be 100 percent vested. Members who joined on or after January 1, 2010 required 10 years of service credit to be 100 percent vested. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all Members are vested when they reach 5 years of service credit.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

ERS Benefits Provided - Continued

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. (The District chose to prepay the required contributions by December 15, 2023 and received an overall discount of $1,326).

The District's share of the required contributions, based on covered payroll paid for the current and two preceding years were:

	NYSTRS	NYSERS
2023-2024	$ 539,944	$ 184,381
2022-2023	519,927	155,572
2021-2022	568,114	203,244

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
District's Proportionate Share of the Net Pension Asset (Liability)	$ (700,730)	$ (324,904)
District's Portion (%) of the Plan's Total Net Pension Asset (Liability)	0.0047591%	0.028411%
Change in Proportion (%) Since the Prior Measurement Date	0.0006920%	-0.001537%

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended June 30, 2024, the District's recognized pension expense of $128,654 for ERS and $389,645 for TRS. At June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	$ 225,705	$ 787,806	$ 19,107	$ 1,947
Changes of Assumptions	264,930	699,509	-	152,454
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	166,084	342,303	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	86,205	91,581	4,903	96,297
District's Contributions Subsequent to the Measurement Date	69,309	526,827	-	-
Total	$ 646,149	$ 2,271,807	$ 366,313	$ 250,698

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, 2025, if applicable. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the year ended as follows:

	ERS	TRS
2025	$ (101,294)	$ 128,224
2026	156,201	(170,454)
2027	218,259	1,295,825
2028	(62,639)	98,918
2029	-	84,407
Thereafter	-	57,362

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Actuarial Valuation Date	April 1, 2023	June 30, 2022
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

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

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Actuarial Assumptions - Continued

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Asset Type		
Domestic Equity	4.00%	6.80%
International Equity	6.65%	7.60%
Private Equity	7.25%	10.10%
Global Equity		7.20%
Real Estate	4.60%	6.30%
Opportunistic /Absolute Return Strategies Portfolio	5.25%	
Credit	5.40%	
Real Assets	5.79%	
Fixed Income	1.50%	
Cash	0.25%	0.30%
Private Debt		6.00%
Real Estate Debt		3.20%
Domestic Fixed Income Securities		2.20%
Global Bonds		1.60%
High-Yield Bonds		4.40%

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

NOTE 8- PENSION PLANS - Continued

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's Proportionate Share of the Net Pension Asset (Liability)	$ (2,203,167)	$ (700,730)	$ 554,116

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's Proportionate Share of the Net Pension Asset (Liability)	$ (4,948,453)	$ (324,904)	$ 3,563,700

Pension Plan Fiduciary Net Position

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

	(In thousands)		
	ERS	TRS	Total
Measurement Date	March 31, 2024	June 30, 2023	
Employer's Total Pension Asset (Liability)	$ (240,696,851)	$ (138,365,122)	$ (379,061,973)
Plan Fiduciary Net Position	225,972,801	137,221,537	363,194,338
Employer's Net Pension Asset (Liability)	$ (14,724,050)	$ (1,143,585)	$ (15,867,635)
Ratio of Plan Fiduciary Net Position to the Employer's Total Pension Asset (Liability)	93.88%	99.17%	

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $69,309. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to $595,773.

NOTE 9 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund balances at June 30, 2024 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	$ 548,005	$ -	$ -	$ 2,930,295
Special Aid	-	525,538	8,878	-
School Food Service	-	8,612	200,000	-
Debt Service	-	-	42,412	-
Capital Projects - Main 2023	2,797	-	1,700,000	-
Capital Projects - Nonmajor funds	-	16,652	1,021,417	42,412
Total	$ 550,802	$ 550,802	$ 2,972,707	2,972,707

The District typically loans resources between funds for the purpose of mitigating the effects of cash flow issues.

The District also typically transfers from the General Fund to the Special Aid Fund to cover the local share of the summer special education program. The General Fund advances funds to the Special Aid Fund to provide temporary cash until New York State has reimbursed the grant programs. Transfers are made to the various Capital Project Funds for funding of projects.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 - FUND BALANCE EQUITY

The following is a summary of the Governmental Funds fund balances of the District as of June 30, 2024:

Fund Balances (Deficits)	General	Special Aid	Capital Projects - Main 2023	Debt Service	Total Non-Major	Total Governmental Funds
Nonspendable						
Prepaid Expenditures	$ 315,753	$ -	$ -	$ -	$ -	$ 315,753
Inventory	-	-	-	-	26,781	26,781
Restricted						
Employee Benefit Accrued Liability	199,072	-	-	-	-	199,072
Retirement Contributions - NYSTRS	75,000	-	-	-	-	75,000
Unemployment Insurance	41,765	-	-	-	-	41,765
Insurance	661,488	-	-	-	-	661,488
Capital	1,355,417	-	-	-	-	1,355,417
Debt Service Fund	-	-	-	1,165,029	-	1,165,029
Extra Classroom Activity Funds	-	-	-	-	73,342	73,342
Scholarships and Awards Fund	-	-	-	-	13,158	13,158
Capital Projects Fund	-	-	920,922			920,922
Assigned						
Designated for Next Fiscal Year	1,305,000	-	-	-	-	1,305,000
School Food Service Fund	-	-	-	-	34,370	34,370
Unassigned						
General Fund	754,782	-	-	-	-	754,782
Capital Projects Fund-Other	-	-	-	-	(16,652)	(16,652)
Total Governmental Fund Balances (Deficits)	$ 4,708,277	$ -	$ 920,922	$ 1,165,029	$ 130,999	$ 6,925,227

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Employees Covered by Benefit Terms – At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	98
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	108
Total Covered Employees	206

Madrid-Waddington CSD provides a self-insured health plan to eligible pre-65 retirees and dependents through Excellus and a Medicare Advantage plan to all Medicare eligible retirees through Aetna.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2024, the District recognized approximately $1,233,571 for its share of insurance premiums for currently enrolled retirees.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

General Information about the OPEB Plan - Continued

Unit	Plan	Hire Date	Eligibility/Criteria
Administrators			*Requirements listed per Contract Agreements*
	Excellus & Aetna		0% Contribution
	Medicare Part B		0% Contribution
Teachers Association		Pre-7/1/07	*Eligible age 55 & 5 years service*
		Post-7/1/07	*Eligible age 55 & 10 years service*
	Excellus & Aetna	Pre-7/1/07	0% Contribution
		Post-7/1/07	50% Contribution - 10-14yrs service 11% Contribution - 15 yrs or more service
	Medicare Part B	Pre-7/1/12	0% Contribution
		Post-7/1/12	Fixed reimbursement of $99.90/month
School Related Personnel		Pre-7/1/10	*Eligible age 55 & 10 years service*
		Post-7/1/10	*Eligible age 55 & 15 years service*
	Excellus & Aetna	Pre-7/1/12	0% Contribution
		Pre-7/1/22	Fixed employee contribution $400 individual, $1,050 two-person, $1,100 family
		Post-7/1/22	Fixed employee contribution $600 individual, $1,250 two-person, $1,300 family Employee contributions are same as amount at retirement.
	Medicare Part B	Pre-7/1/12	0% Contribution
		Post-7/1/12	Fixed reimbursement of $99.90/month

- Surviving spouses are permitted to continue coverage after the death of the retiree through COBRA at 100% of the premium cost.

Total OPEB Liability

The District has obtained an actuarial valuation report as of June 30, 2024 which indicates that the total liability for other postemployment benefits is $34,886,909 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions	
Measurement Date	7/1/2023
Rate of Compensation Increase	3.50%
Discount Rate	3.65%
Assumed Health Care Trend Rates at June 30	
Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.80%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.14%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2094
Additional Information	
Actuarial Cost Method	Entry Age Normal
Amortized Cost Method	Level Percentage
Amortized Period Remaining (in Years)	6.05
Method used to Determine Actuarial Value of Assets	N/A

The discount rate was based on the Bond Buyer Weekly 20-Bond GO Index as of July 1, 2023.

Mortality rates were based on the sex-distinct, job category-specific, headcount weighted mortality tables for employees and healthy retirees, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 – June 30, 2023.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 34,134,840
Changes for the Year	
Service Cost	1,042,073
Interest	1,223,002
Changes of Benefit Terms	(104,724)
Differences Between Expected and Actual Experience	706,453
Changes of Assumptions or Other Inputs	(857,115)
Benefit Payments	(1,257,620)
Net Changes	752,069
Balance at June 30, 2024	$ 34,886,909

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% percent as of July 1, 2022 to 3.65% percent as of July 1, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	$ 40,524,497	$ 34,886,909	$ 30,335,334

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Changes in the Total OPEB Liability – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (trend decreasing to 3.14 percent) or 1 percentage point higher (trend decreasing to 5.14 percent) than the current healthcare cost trend rate:

	1% Decrease Healthcare Cost Trend Rates (Trend Less 1% Decreasing to 3.14%)	Healthcare Cost Trend Rates (Trend at 4.14%)	1% Increase Healthcare Cost Trend Rates (Trend Plus 1% Increasing to 5.14%)
Total OPEB Liability	$ 29,733,227	$ 34,886,909	$ 41,443,822

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

For the year ended June 30, 2024, the District recognized OPEB credit of $(2,010,627). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,750,420	$ 5,595,459
Changes of Assumptions or Other Inputs	2,530,310	4,395,557
Benefit Payments Subsequent to the Measurement Date	1,336,521	-
	$ 5,617,251	$ 9,991,016

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

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

Fiscal Year Ending June 30,	
2025	$ (2,032,812)
2026	(1,781,408)
2027	(1,523,564)
2028	(346,355)
2029	(24,903)
Thereafter	(1,244)
	$ (5,710,286)

NOTE 12 - RISK MANAGEMENT

General

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

Pooled Non-Risk-Retained

The District participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to ensure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District share of the liability for unbilled and open claims is $0.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 - COMMITMENTS AND CONTINGENCIES

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

During a prior fiscal year, the District was served a Notice of Claim brought pursuant to the Child's Victims Act. While a loss on this claim is probable, an estimate of potential loss cannot be determined at this time.

NOTE 14– DONOR-RESTRICTED ENDOWMENTS

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

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
Ended June 30, 2024

Total OPEB Liability	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Service Cost	$ 1,042,073	$ 1,267,402	$ 1,522,431	$ 1,393,925	$ 1,329,886	$ 1,724,899	$ 1,797,359
Interest	1,223,002	795,461	961,556	1,505,303	1,597,775	1,652,938	1,666,209
Changes of Benefit Terms	(104,724)	(1,214,924)	-	-	-	-	(4,993,419)
Difference between Expected and Actual Experience	706,453	1,751,440	(5,487,641)	(8,491,088)	(1,054,798)	-	(7,216,165)
Changes in Assumptions or Other Inputs	(857,115)	(3,801,147)	(1,864,349)	7,359,025	1,117,955	(6,495,577)	(2,549,774)
Benefit Payments	(1,257,620)	(1,134,158)	(1,296,188)	(1,493,889)	(1,170,832)	(1,061,229)	(1,299,308)
Net Change in Total OPEB Liability	752,069	(2,335,926)	(6,164,191)	273,276	1,819,986	(4,178,969)	(12,595,098)
Total OPEB Liability - Beginning	34,134,840	36,470,766	42,634,957	42,361,681	40,541,695	44,720,664	57,315,762
Total OPEB Liability - Ending	$ 34,886,909	$ 34,134,840	$ 36,470,766	$ 42,634,957	$ 42,361,681	$ 40,541,695	$ 44,720,664
Covered Payroll	$ 6,583,237	$ 6,017,712	$ 6,017,712	$ 6,170,404	$ 5,817,172	$ 5,453,038	$ 5,277,030
Total OPEB Liability as a Percentage of Covered Payroll	529.94%	567.24%	606.06%	690.96%	728.22%	743.47%	847.46%

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.

See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND

Year Ended June 30, 2024

	Original Budget	Final Budget
REVENUES		
Local Sources		
Real Property Taxes	$ 3,959,825	$ 3,959,825
Other Tax Items	840,933	840,933
Charges for Services	-	-
Use of Money and Property	15,000	15,000
Sale of Property and Compensation for Loss	1,000	1,000
Miscellaneous	433,100	433,100
Total Local Sources	5,249,858	5,249,858
State Sources	13,697,978	13,697,978
Medicaid Reimbursement	50,000	50,000
Federal Sources	-	-
Total Revenues	18,997,836	18,997,836
OTHER FINANCING SOURCES		
Appropriated Reserves	630,000	630,000
Transfers From Other Funds	300,000	300,000
Total Revenues and Other Financing Sources	19,927,836	19,927,836
EXPENDITURES		
General Support		
Board of Education	123,786	119,036
Central Administration	167,719	169,991
Finance	263,658	222,278
Staff	50,353	38,853
Central Services	1,526,780	1,485,683
Special Items	707,850	694,350
Total General Support	2,840,146	2,730,191
Instruction		
Instruction, Administration and Improvement	360,039	353,959
Teaching - Regular School	4,195,525	3,926,385
Programs for Children with Handicapping Conditions	3,446,089	2,657,850
Teaching - Special School	35,310	35,310
Instructional Media	263,240	265,034
Pupil Services	834,720	744,640
Total Instruction	9,134,923	7,983,178
Pupil Transportation	1,090,513	1,061,214
Community Service	37,863	34,863
Employee Benefits	5,519,663	4,743,158
Debt Service	1,254,728	1,243,815
Total Expenditures	19,877,836	17,796,419
OTHER FINANCING USES		
Operating Transfers to Other Funds	850,000	2,931,417
Total Expenditures and Other Financing Uses	20,727,836	20,727,836
Net Change in Fund Balance	(800,000)	(800,000)
Fund Balances - Beginning	5,630,102	5,630,102
Fund Balances - End	$ 4,830,102	$ 4,830,102

	Actual	Final Budget Variance With Actual
	$ 4,136,396	$ 176,571
	669,897	(171,036)
	30,253	30,253
	80,924	65,924
	350	(650)
	539,190	106,090
	5,457,010	207,152
	13,378,841	(319,137)
	33,890	(16,110)
	-	-
	18,869,741	(128,095)
	-	(630,000)
	-	(300,000)
	18,869,741	$ (1,058,095)

	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
	116,122	$ -	$ 2,914
	169,499	-	492
	184,951	-	37,327
	35,152	-	3,701
	1,422,787	-	62,896
	691,682	-	2,668
	2,620,193	-	109,998
	323,046	-	30,913
	3,885,948	-	40,437
	2,376,705	-	281,145
	13,596	-	21,714
	236,484	-	28,550
	684,279	-	60,361
	7,520,058	-	463,120
	954,129	-	107,085
	33,807	-	1,056
	4,489,269	-	253,889
	1,243,815	-	-
	16,861,271	-	935,148
	2,930,295	-	1,122
	19,791,566	$ -	$ 936,270
	(921,825)		
	5,630,102		
	$ 4,708,277		

Note to Required Supplementary Information Budget Basis of Accounting: Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) - NYSLRS PENSION PLAN
LAST NINE FISCAL YEARS

Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Teachers' Retirement System (TRS)									
District's Proportion of the Net Pension Asset (Liability)	0.028411%	0.029948%	0.028591%	0.028535%	0.026864%	0.027788%	0.027671%	0.027793%	0.026441%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (324,904)	$ (574,671)	$5,009,413	$ (788,500)	$ 697,917	$ 502,487	$ 210,327	$ (297,670)	$2,746,337
District's Covered Payroll	$5,348,228	$5,305,382	$4,906,550	$4,843,296	$ 4,483,996	$4,526,416	$4,384,940	$4,119,480	$4,119,480
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	6.07%	10.83%	102.10%	16.28%	15.56%	11.10%	4.80%	7.23%	66.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	99.17%	98.57%	113.25%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%
Employees' Retirement System (ERS)									
District's Proportion of the Net Pension Asset (Liability)	0.0047591%	0.0040671%	0.0041593%	0.0039348%	0.0039144%	0.0041090%	0.0043490%	0.0042717%	0.0040543%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (700,730)	$ (872,158)	$ 340,008	$ (3,918)	$ (1,036,557)	$ (291,136)	$ (140,363)	$ (401,378)	$ (650,721)
District's Covered Payroll	$1,504,068	$1,410,402	$1,316,114	$1,289,493	$ 1,237,889	$1,203,930	$1,182,447	$1,125,569	$1,104,004
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	46.59%	61.84%	25.83%	0.30%	83.74%	24.18%	11.87%	35.66%	58.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	93.88%	90.78%	103.65%	99.90%	86.39%	96.27%	98.24%	94.70%	90.68%

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.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - NYSLRS PENSION PLAN
LAST NINE FISCAL YEARS
Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Teachers' Retirement System (TRS)									
Contractually Required Contribution	$ 539,944	$ 519,927	$ 568,114	$ 467,594	$ 429,116	$ 476,197	$ 443,589	$ 513,915	$ 546,243
Contributions in Relation to the Contractually Required Contribution	539,944	519,927	568,114	467,594	429,116	476,197	443,589	513,915	546,243
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 5,348,228	$ 5,305,382	$ 4,906,550	$ 4,843,296	$ 4,483,996	$ 4,526,416	$ 4,384,940	$ 4,119,480	$ 4,119,480
Contributions as a Percentage of Covered Payroll	10.10%	9.80%	11.58%	9.65%	9.57%	10.52%	10.12%	12.48%	13.26%
Employees' Retirement System (TRS)									
Contractually Required Contribution	$ 184,381	$ 155,572	$ 203,244	$ 183,636	$ 175,281	$ 174,003	$ 175,125	$ 171,949	$ 219,910
Contributions in Relation to the Contractually Required Contribution	184,381	155,572	203,244	183,636	175,281	174,003	175,125	171,949	219,910
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,504,068	$ 1,410,402	$ 1,316,114	$ 1,289,493	$ 1,237,889	$ 1,203,930	$ 1,182,447	$ 1,125,569	$ 1,104,004
Contributions as a Percentage of Covered Payroll	12.26%	11.03%	15.44%	14.24%	14.16%	14.45%	14.81%	15.28%	19.92%

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.

COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2024

	School Food Service	Extra Classroom Activity	Scholarships and Awards
ASSETS			
Cash and Cash Equivalents			
Unrestricted	$ 10,793	$ -	$ -
Restricted	-	73,342	13,158
Receivables			
State and Federal Aid	32,189	-	-
Inventories	26,781	-	-
TOTAL ASSETS	$ 69,763	$ 73,342	$ 13,158
LIABILITIES			
Payables			
Due to Other Funds	$ 8,612	$ -	$ -
Total Liabilities	8,612	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	26,781	-	-
Restricted	-	73,342	13,158
Assigned	34,370	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficits)	61,151	73,342	13,158
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 69,763	$ 73,342	$ 13,158

Capital Projects - Main 2019	Capital Projects - Capital Outlay	Capital Projects - Bus and Vehicle	Capital Projects - Other	Total Non-Major
$ -	$ -	$ -	$ -	$ 10,793
-	-	-	-	86,500
-	-	-	-	32,189
-	-	-	-	26,781
$ -	$ -	$ -	$ -	$ 156,263
$ -	$ -	$ -	$ 16,652	$ 25,264
-	-	-	16,652	25,264
-	-	-	-	26,781
-	-	-	-	86,500
-	-	-	-	34,370
-	-	-	(16,652)	(16,652)
-	-	-	(16,652)	130,999
$ -	$ -	$ -	$ -	$ 156,263

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2024

	School Food Service	Extra Classroom Activity	Scholarships and Awards
REVENUES			
Use of Money and Property	$ -	$ -	$ 631
State Sources	127,992	-	-
Federal Sources	296,125	-	-
Surplus Food	30,470	-	-
Sales - School Food Service	95,112	-	-
Miscellaneous	1,000	119,723	14,035
Total Revenues	550,699	119,723	14,666
EXPENDITURES			
Employee Benefits	104,685	-	-
Cost of Sales - School Food Service	612,421	-	-
Other Expenditures	-	124,094	16,950
Capital Outlay	-	-	-
Total Expenditures	717,106	124,094	16,950
Excess (Deficiency) of Revenues over Expenditures	(166,407)	(4,371)	(2,284)
OTHER FINANCING SOURCES AND USES			
Proceeds from Debt	-	-	-
Operating Transfers In	200,000	-	-
Operating Transfers (Out)	-	-	-
Total Other Financing Sources and Uses	200,000	-	-
Net Change in Fund Balances (Deficits)	33,593	(4,371)	(2,284)
Fund Balances (Deficits) - Beginning of Year	27,558	77,713	15,442
Fund Balances (Deficits) - End of Year	$ 61,151	$ 73,342	$ 13,158

Capital Projects - Main 2019	Capital Projects - Capital Outlay	Capital Projects - Bus and Vehicle	Capital Projects - Other	Total Non-Major
$ -	$ -	$ -	$ -	$ 631
-	-	-	-	127,992
-	-	-	-	296,125
-	-	-	-	30,470
-	-	-	-	95,112
-	-	-	-	134,758
-	-	-	-	685,088
-	-	-	-	104,685
-	-	-	-	612,421
-	-	-	-	141,044
22,095	100,000	667,300	22,287	811,682
22,095	100,000	667,300	22,287	1,669,832
(22,095)	(100,000)	(667,300)	(22,287)	(984,744)
-	-	-	22,287	22,287
154,750	100,000	667,300	99,367	1,221,417
(42,412)	-	-	-	(42,412)
112,338	100,000	667,300	121,654	1,201,292
90,243	-	-	99,367	216,548
(90,243)	-	-	(116,019)	(85,549)
$ -	$ -	$ -	$ (16,652)	$ 130,999

See paragraph on supplementary schedules included in independent auditor's report.

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND

June 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 20,727,836
Add: Prior Year's Encumbrances	-
Original Budget	20,727,836
Budget Revision	-
Final Budget	$ 20,727,836

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2024-2025 Voter Approved Expenditure Budget		$ 20,989,629
Maximum Allowed 4% of 2024-2025 Budget		$ 839,585
General Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$1,305,000	
Unassigned Fund Balance	754,782	
Total Unrestricted Fund Balance	2,059,782	
Less:		
Appropriated Fund Balance	1,305,000	
Total Adjustments	1,305,000	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 754,782
Actual Percentage		3.60%

SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES

Year Ended June 30, 2024

			Expenditures				Methods of Financing						
PROJECT TITLE	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds Of Obligations	BANs Redeemed	State Aid	Local Sources	Total	Transfer to Debt Service Fund	Fund Balance 6/30/2024
2019 Building Project	$ 5,024,883	$ 5,024,883	$ 4,960,376	$ 22,095	$ 4,982,471	$ 42,412	$ 3,700,000	$ 610,133	$ -	$ 714,750	$ 5,024,883	$ 42,412	$ -
2023 Building Project	15,200,000	15,200,000	-	779,078	779,078	14,420,922	-	-	-	1,700,000	1,700,000	-	920,922
22-23 Bus & Vehicle Purchase	285,000	276,893	-	276,893	276,893	-	-	-	-	276,893	276,893	-	-
23-24 Bus & Vehicle Purchase	525,000	525,000	-	390,407	390,407	134,593	-	-	-	390,407	390,407	-	-
Security - Smart Bond	232,999	232,999	200,385	-	200,385	32,614	-	-	169,272	14,461	183,733	-	(16,652)
Window Replacement	100,000	98,677	98,677	-	98,677	-	-	-	-	98,677	98,677	-	-
23-24 Mini Project	100,000	100,000	-	100,000	100,000	-	-	-	-	100,000	100,000	-	-
Total	$ 21,467,882	$ 21,458,452	$ 5,259,438	$ 1,568,473	$ 6,827,911	$ 14,630,541	$ 3,700,000	$ 610,133	$ 169,272	$ 3,295,188	$ 7,774,593	$ 42,412	$ 904,270

See paragraph on supplementary schedules included in independent auditor's report.

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2024

Capital Assets, Net		$ 23,372,569
Deduct:		
Premium on Obligation - Serial Bond	$ 480,235	
Short-Term Portion of Bonds Payable	455,000	
Long-Term Portion of Bonds Payable	5,105,000	
Short-Term Portion of Leases Payable	21,429	
Long-Term Portion of Leases Payable	45,849	6,107,513
Net Investment in Capital Assets		$ 17,265,056

FORM OF BOND COUNSEL'S OPINION

LAW OFFICES

OF

Timothy R. McGill

248 WILLOWBROOK OFFICE PARK
FAIRPORT, NEW YORK 14450

Kristine M. Bryant
Paralegal

Tel: (585) 381-7470
Fax: (585) 381-7498

July 24, 2025

Board of Education of the
Madrid-Waddington Central School District
St. Lawrence County, New York

Re: ***Madrid-Waddington Central School District, St. Lawrence County, New York***
$6,457,500 Bond Anticipation Notes, 2025

Dear Board Members:

I have examined a record of proceedings relating to the issuance of $6,457,500 aggregate principal amount of Bond Anticipation Notes, 2025 of the Madrid-Waddington Central School District, a school district of the State of New York. The Notes are [registered to ________________/ in book-entry-only form registered to "Cede & Co.,"] are dated July 24, 2025, are numbered 2025B-__, bear interest at the rate of ________________ per centum (___%) per annum payable at maturity, mature July 24, 2026, and are issued pursuant to the Local Finance Law of the State of New York and a bond resolution adopted November 14, 2023. The proposition approving the matters set forth in the bond resolution was approved by the voters of the School District on October 18, 2023. The Notes are not subject to redemption prior to maturity. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Madrid-Waddington Central School District, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the School District without limitation as to rate or amount.

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Notes is not a specific preference item for purposes of the Federal alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Notes. Further, in my opinion, interest on the Notes is exempt from New York State and New York City personal income taxes under existing statutes.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me 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 I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my engagement in relation to the issuance of the Note 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 School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of and interest on the Note as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Notes for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Note, 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,

Timothy R. McGill, Esq.

TRM: