PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

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

$10,000,000

SOUTH JEFFERSON CENTRAL SCHOOL DISTRICT

JEFFERSON, LEWIS AND OSWEGO COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$10,000,000 Bond Anticipation Notes, 2024

(the "Notes")

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

The Notes are general obligations of the South Jefferson Central School District, Jefferson, Lewis and Oswego Counties, New York (the "School District" or "District"). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the School District. The Notes will be issued in denominations of $5,000 or multiples thereof. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinion as to the validity of the Notes of Trespasz Law Offices, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or at such place as may be agreed upon with the purchaser(s) on or about July 24, 2024.

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

July 1, 2024

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

SOUTH JEFFERSON CENTRAL SCHOOL DISTRICT
JEFFERSON, LEWIS AND OSWEGO COUNTIES, NEW YORK

2024-2025 BOARD OF EDUCATION

PAMELA DONOGHUE
President

TROY MATTESON
Vice President

JOSEPH EBERLE II
JUSTIN VANCOUGHNETT
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* * * * * * * *

ADMINISTRATION

CHRISTINA CHAMBERLAIN
Superintendent of Schools

JOSHUA HARTSHORNE
School Business Administrator

MICHELLE L. JAQUES
School District Clerk

KATIE DANDROW
Principal Account Clerk/Deputy Treasurer

FERRARA FIORENZA PC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

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

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

of the

SOUTH JEFFERSON CENTRAL SCHOOL DISTRICT
JEFFERSON, LEWIS AND OSWEGO COUNTIES, NEW YORK

Relating To

$10,000,000 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the South Jefferson Central School District, Jefferson, Lewis and Oswego Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $10,000,000 principal amount of Bond Anticipation Notes, 2024 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words,

"faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean… So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

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

The Notes will be issued in either (i) registered certificated form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, as may be determined by the successful bidder or (ii) at the option of the purchaser, in book-entry-only form, 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 to the Constitution and statutes of the State of New York, including among others, the education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on January 11, 2023 authorizing the issuance of up to $16,100,000 serial bonds for construction of alterations and improvements to various District Facilities. On May 21, 2024 District voters approved a proposition to increase the authorized borrowing amount to $17,475,000.

The proceeds of the Notes will provide $10,000,000 of original financing for the abovementioned 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.

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York and is situated principally in the County of Jefferson, with small sections located to the east in the County of Lewis and to the south in the County of Oswego. The City of Watertown is approximately 10 miles to the north, the City of Oswego approximately 30 miles southwest and the City of Syracuse 45 miles to the south.

The District encompasses a land area of approximately 221 square miles.

Major highways of service to the School District include Interstate route #81, New York State routes #11, #177 and #178. The Penn Central Railroad, several motor freight lines and the Watertown Municipal Airport also service transportation for the District.

The District is residential and agricultural in nature. Commercial services to the residents are located in the Villages of Adams and Mannsville, as well as in and around Watertown.

Source: District officials.

Population

The current estimated population of the District is 10,894. (Source: 2022 U.S. Census Bureau estimate.)

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2018-2022	2006-2010	2016-2020	2018-2022
Towns of:						
Adams	$ 24,398	$ 28,353	$ 35,535	$ 61,154	$ 83,574	$ 98,214
Ellisburg	19,239	26,627	31,184	45,000	68,878	78,958
Hounsfield	28,733	36,960	45,206	71,827	88,623	101,288
Lorraine	19,117	24,133	26,362	44,750	78,958	60,962
Rodman	29,742	27,274	29,082	72,411	71,959	81,563
Rutland	22,677	26,606	31,689	57,679	68,464	78,357
Watertown	25,159	32,637	37,655	75,481	87,526	85,052
Worth	21,260	26,700	33,416	60,000	63,906	78,125
Boylston	18,536	35,363	44,200	42,188	84,625	121,250
Pinckney	17,562	30,215	40,761	53,409	56,250	91,042
Counties of:						
Jefferson	21,823	28,120	32,775	51,834	66,711	76,693
Lewis	20,970	27,770	31,127	49,554	65,238	4,104
Oswego	21,604	30,026	33,904	56,364	71,285	80,866
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

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

Source: 2006-2010, 2016-2020 and 2018-2022 American Community Survey data.

Five Largest Employers

The following are the five larger employers located within or in close proximity to the District.

Name of Employer	Nature of Business	Number Employed
Samaritan Medical	Hospital	800
NYS Department of Corrections	Correctional Facility	400
Fuccillo	Car Dealer	210
Great Lakes	Cheese	130
Porterdale	Farms	120

Source: District officials.

Unemployment Rate Statistics

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

Annual Averages

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jefferson County	6.6%	6.3%	6.5%	5.5%	5.4%	8.4%	5.0%	4.0%	4.4%
Lewis County	7.0%	6.8%	6.6%	5.5%	5.3%	7.5%	5.0%	4.0%	4.4%
Oswego County	7.2%	6.6%	6.4%	5.4%	5.2%	8.6%	5.5%	4.0%	4.3%
New York State	5.2%	4.9%	4.6%	4.1%	3.8%	9.9%	6.9%	4.3%	4.2%

2024 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	July
Jefferson County	6.0%	6.1%	5.6%	4.8%	N/A	N/A	N/A
Lewis County	6.7%	6.7%	6.0%	4.9%	N/A	N/A	N/A
Oswego County	5.6%	5.5%	5.0%	4.3%	N/A	N/A	N/A
New York State	4.3%	4.5%	4.2%	3.9%	N/A	N/A	N/A

Note: Unemployment rates for May, June and July 2024 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of seven members with overlapping five-year terms so that as nearly an equal number as possible is elected to the Board each year. Each Board member must be a qualified voter of the School District. The President and the Vice President are selected by the Board members.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the School District for the ensuing fiscal year (tentative budget) and distributes that statement not less than fourteen days prior to the date on which the School District's annual meeting is conducted, at which time such tentative budget is voted upon. Notice of the annual meeting is published as required by statute with a first publication not less than forty-five days prior to the day of such meeting. If the qualified voters at the annual meeting approve the tentative budget, the Board of Education, by resolution, adopts it as the budget of the School District for the ensuing fiscal year.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap") plus exclusions, then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the 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 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 INFORMATION –Tax Levy Limitation Law" herein.

Recent Budget Vote Results

The budget for the 2023-24 fiscal year was approved by the qualified voters on May 16, 2023 by a vote of 231 to 76. The District's adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.91%, which was below the District tax levy limit of 1.92%.

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 210 to 64. The District's adopted budget for the 2024-25 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 2.00%, which is below the District tax levy limit of 2.55%.

Investment Policy

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

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

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2024-25 fiscal year, approximately 79.19% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

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

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

Federal Aid Received by the State

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

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated $5,675,369 under the American Rescue Plan (ARP) and $1,610,311 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The District expects to receive $4,129,462 ARP funds and all of its allocated CRRSA funds as of June 30, 2024.

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2024-25 preliminary building aid ratios, the District expects to receive State building aid of approximately 90.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6% and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increased the minimum community schools funding amount from $75,000 to $100,000. This ensured all high-need districts across the State could apply the funds to a wide-range of activities.

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

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

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

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

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

State Aid Litigation

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$33,858,086	$25,455,314	75.18%
2020-2021	35,232,900	26,188,121	74.33
2021-2022	35,766,984	26,458,283	73.97
2022-2023	38,305,371	28,906,979	75.46
2023-2024 (Budgeted)	40,983,308	32,171,808	78.49
2023-2024 (Unaudited)	36,636,071	27,435,937	74.88
2024-2025 (Budgeted)	42,647,572	33,773,572	79.19

Source: Audited Financial Statements for the 2019-2020 through 2022-2023 fiscal years, unaudited projections for the 2023-2024 fiscal year and adopted budgets for the 2023-2024 and 2024-2025 fiscal years. This table is not audited.

School Facilities

Name	Grades	Capacity	Year(s) Built/Additions
South Jefferson Central School	K-12	2,000	1960, ’65, ’75, ’99

Source: District officials.

Enrollment Trends

School Year	Enrollment	School Year	Projected Enrollment
2019-20	1,894	2024-25	1,900
2020-21	1,715	2025-26	1,900
2021-22	1,796	2026-27	1,900
2022-23	1,747	2027-28	1,900
2023-24	1,827	2028-29	1,900

Note: The School District’s enrollment is slightly impacted by Fort Drum, however, the number of students does not have a drastic impact on overall enrollment figures. This is evidenced by the relatively small amount of Federal Impact Aid the District receives.

Source: District officials.

Employees

The School District employs a total of approximately 363 full and part-time employees. Employees are represented by various unions as follows:

Employees Represented	Union Representation	Contract Expiration Date
165	South Jefferson Teachers' Association	June 30, 2026
173	School Support Staff	June 30, 2026

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

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

Fiscal Year	TRS	ERS
2019-2020	$ 1,263,133	$ 635,730
2020-2021	1,072,958	633,626
2021-2022	1,152,125	660,740
2022-2023	1,225,800	522,901
2023-2024 (Budgeted)	1,329,806	820,494
2023-2024 (Unaudited)	1,337,938	549,655
2024-2025 (Budgeted)	1,351,876	606,416

Source: School District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. The District is amortizing pension payments for the New York State Local Retirement System for the years 2012 through 2016.

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 (2019-20 to 2023-24) is shown below:

Year	ERS	TRS
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02[1]

[1]- Estimated

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 participate in the Stable Rate Pension Contribution Option.

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund on June 12, 2019.

Other Post-Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Aquarius Capital, to calculate its actuarial valuation under GASB 75 for the fiscal year ending June 30, 2023.

The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

Balance beginning at:	June 30, 2021	June 30, 2022
	$ 136,893,076	$ 150,454,069
Changes for the year:		
Service cost	3,786,581	2,528,889
Interest	2,830,148	5,601,409
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	9,902,846	(28,890,610)
Benefit payments	(2,958,582)	(3,751,180)
Net Changes	$ 13,560,993	$ (24,511,492)
Balance ending at:	June 30, 2022	June 30, 2023
	$ 150,454,069	**$ 125,942,577**

Note: The above table is not audited. For additional information see “APPENDIX – C” attached hereto.

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

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

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 is the Education Law and the Local Finance Law.

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and 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 school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

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

Unaudited Results for Fiscal Year Ending June 30, 2024:

The District expects to end the fiscal year ending June 30, 2024 with an unassigned fund balance of $1,699,332

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

Revenues:	$36,636,071
Expenditures:	$36,576,320
Excess (Deficit) Revenues Over Expenditures:	$ 59,751
Total Fund Balance at June 30, 2023:	$ 9,921,127
Total Fund Balance at June 30, 2024:	$ 9,980,878

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 is a State Comptroller audit of the District currently pending release focusing on the District payroll. The audit has not been release as of the date of this official statement.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	10.0

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

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

TAX INFORMATION

Taxable Assessed Valuation

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Adams	$ 291,245,103	$ 293,837,921	$ 294,301,520	$ 296,687,517	$ 297,423,750
Ellisburg	94,790,190	97,108,138	97,664,278	98,250,005	99,383,205
Hounsfiled	4,456,876	4,439,049	4,456,020	4,384,802	6,163,213
Lorraine	65,621,316	65,772,426	66,343,770	66,933,862	67,570,011
Rodman	85,009,210	85,784,890	86,497,996	86,460,648	86,536,113
Rutland	3,379,723	3,450,726	6,506,944	6,589,904	6,723,233
Watertown	71,740,888	72,118,061	72,258,944	72,762,060	73,188,814
Worth	30,000,127	30,425,127	30,689,242	30,322,498	31,214,901
Boylston	914,080	919,800	889,400	968,991	967,842
Pinckney	400,156	395,704	393,895	501,800 (1)	496,704
Total Assessed Values	$ 647,557,669	$ 654,251,842	$ 660,002,009	$ 663,862,087	$ 669,667,786
State Equalization Rates					
Towns of:					
Adams	100.00%	100.00%	100.00%	95.00%	85.00%
Ellisburg	100.00%	100.00%	97.00%	86.00%	79.00%
Hounsfiled	91.00%	93.00%	93.00%	84.00%	100.00%
Lorraine	100.00%	99.00%	95.00%	85.00%	71.00%
Rodman	100.00%	99.00%	95.00%	85.00%	71.00%
Rutland	61.00%	61.00%	100.00%	98.00%	85.00%
Watertown	63.00%	62.00%	57.50%	61.00%	51.00%
Worth	90.00%	90.00%	90.00%	84.00%	75.00%
Boylston	97.00%	89.00%	83.00%	76.00%	64.00%
Pinckney	95.00%	83.00%	83.00%	100.00% (1)	94.00%
Total Taxable Full Valuation	$ 695,675,482	$ 706,099,741	$ 728,483,801	$ 776,112,431	$ 894,003,605

(1) Significant change due to revaluation.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Adams	$ 11.32	$ 11.53	$ 11.29	$ 11.38	$ 11.25
Ellisburg	11.32	11.53	11.64	12.57	12.11
Hounsfiled	12.44	12.40	12.14	12.87	9.56
Lorraine	11.32	11.65	11.89	12.72	13.47
Rodman	11.32	11.65	11.89	12.72	13.47
Rutland	18.56	18.91	11.29	11.03	11.25
Watertown	17.97	18.60	19.64	17.72	18.75
Worth	12.58	12.82	12.55	12.87	12.75
Boylston	11.67	12.96	13.60	14.22	14.94
Pinckney	11.92	13.90	13.60	10.81 (1)	10.17

(1) Significant change due to revaluation.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. After October 31st, uncollected taxes are returnable to Jefferson, Lewis and Oswego Counties for collection. The School District receives this amount from said Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said Counties.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy	$ 7,878,000	$ 8,144,000	$ 8,225,440	$ 8,390,000	$ 8,550,000
Amount Uncollected (1)	412,318	463,951	451,017	457,831	490,496
% Uncollected	5.23%	5.70%	5.48%	5.46%	5.74%

(1) See "Tax Collection Procedure".

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the School District for each of the below completed fiscal years, unaudited projections for the 2023-2024 fiscal year and budgeted figures for the 2023-24 and 2024-25 fiscal years comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2019-2020	$ 33,858,086	$ 7,931,903	23.43%
2020-2021	35,232,900	8,200,774	23.28
2021-2022	35,233,322	8,286,707	23.52
2022-2023	38,305,371	8,452,190	22.07
2023-2024 (Budgeted)	40,983,308	8,550,000	21.00
2023-2024 (Unaudited)	36,636,071	8,549,218	23.33
2024-2025 (Budgeted)	42,647,572	8,721,000	20.45

Source: Audited Financial Statements for the 2019-2020 through 2022-2023 fiscal years, unaudited projections for the 2023-2024 fiscal year and adopted budgets for the 2023-2024 and 2024-2025 fiscal years. This table is not audited.

Larger Taxpayers 2023 for 2023-2024 Tax Roll

Name	Type	Taxable Assessed Valuation
National Grid	Utility	$ 46,541,844
New York State DEC	Government	23,573,800
CSX Transportation, Inc.	Railroad	12,387,876
Porterdale Farms, Inc.	Farm	10,069,000
Alford Timothy C	Private	6,724,200
Citizens Telecom UCI NY, Inc.	Utility	5,747,318
DP Adams CJDR RE LLC	Commercial	5,580,000
Salmon River Timberlands LLC	Commercial	5,558,600
Jefferson County	Government	4,969,200
Burnham Properties	Commercial	3,839,100

The ten larger taxpayers listed above have a total taxable assessed valuation of $124,990,938, which represents 13.98% of the tax base of the District.

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

Source: District Tax Rolls.

Additional Tax Information

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

Senior citizen exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-40%, Agricultural-20%, Commercial-10% and Industrial-30%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the School District is approximately $1,740 including State, County, Town, School District and Fire District Taxes.

STAR – School Tax Exemption

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

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

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

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

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

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
Adams	$ 71,400	$ 25,500	4/9/2024
Ellisburg	66,360	23,700	4/9/2024
Hounsfield	85,590	31,550	4/9/2024
Lorraine	84,000	30,000	4/9/2024
Rodman	84,000	30,000	4/9/2024
Rutland	71,400	26,170	4/9/2024
Watertown	44,190	16,290	4/9/2024
Worth	63,000	22,500	4/9/2024
Boylston	55,060	20,290	4/9/2024
Pinckney	78,960	28,200	4/9/2024

858,860 of the District's $8,550,000 school tax levy for 2023-2024 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2024.

Approximately $876,037 of the District's $8,721,000 school tax levy for the 2024-25 fiscal year is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January 2025.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The 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.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

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

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

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
Bonds	$ 16,505,000	$ 13,640,000	$ 10,680,000	$ 7,490,000	$ 10,090,000
Bond Anticipation Notes	4,861,360	11,399,907	10,574,095	9,623,800	2,211,400
Revenue Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 21,366,360	$ 25,039,907	$ 21,254,095	$ 17,113,800	$ 12,301,400

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of July 1, 2024.

Type of Indebtedness	Maturity	Amount
Bonds	2024-2036	$ 7,850,000
Bond Anticipation Notes		
Purchase of School Buses	February 7, 2025	2,172,200
	Total Indebtedness	$ 10,022,200

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 1, 2024:

Full Valuation of Taxable Real Property			$ 894,003,605
Debt Limit 10% thereof			89,400,360
Inclusions:			
Bonds	$ 7,850,000		
Bonds Anticipation Notes	2,172,200		
Principle of this issue	10,000,000		
Total Inclusions		$ 20,022,200	
Exclusions:			
Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 20,022,200
Net Debt-Contracting Margin			$ 69,378,160
The percent of debt contracting power exhausted is			22.40%

(1) Based on preliminary 2024-2025 building aid estimates, the District anticipates State Building aid of 90.6% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Capital Project Plans

The District typically borrows bond anticipation notes for buses in the winter. On February 8, 2024, the District issued $2,172,200 bond anticipation notes for the purchase of school buses. The below chart show the authorized amount and the amount outstanding for the Districts annual bus authorizations. On May 21, 2024 District voters approved a $1,137,424 authorization for the purchase of school buses. The District anticipated issuing new money for the purchase of buses in February 2025.

Purpose	Authorized Amount		Amount Outstanding
2018 Bus Authorization	$ 765,000		$ 153,000
2019 Bus Authorization	775,000		155,000
2020 Bus Authorization	781,000		312,400
2021 Bus Authorization	776,000		465,600
2022 Bus Authorization	659,000		527,000
2023 Bus Authorization	712,000		712,000
		Total:	$ 2,172,000

On December 13, 2022, the District voters approved a referendum in the amount of $17.1 million for a capital improvement project. The District will use approximately $1 million Capital Reserve Funds along with the issuance of bond anticipation notes and serial bonds to finance the project. On May 21, 2024, district voters approved a proposition to increase the cost of the project to $18,675,000. The Notes will provide $10,000,000 new money as the initial borrowing for this purpose.

There are currently no other capital projects authorized or contemplated at this time by the School District.

Cash Flow Borrowings

The District issued revenue anticipation notes on July 8, 2020 in anticipation of revenues due from the State during the School District's fiscal year, commencing July 1, 2020 and ending June 30, 2021. The District paid the revenue anticipation notes that matured April 30, 2021 with available funds. The District did not issue revenue anticipation notes during the 2021-22, 2022-23 or 2023-2024 fiscal years and does not intend to issue revenue anticipation notes during the 2024-25 fiscal year.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Jefferson	6/12/2023	$ 15,210,000 [3]	$ 605,000	$ 14,605,000	8.34%	$ 1,218,057
Lewis	6/28/2023	55,480,000 [3]	-	55,480,000	0.02%	11,096
Oswego	12/31/2022	- [4]	- [5]	-	0.01%	-
Town of:						
Adams	12/31/2022	709,600 [4]	- [5]	709,600	95.92%	680,648
Ellisburg	12/31/2022	1,580,711 [4]	- [5]	1,580,711	32.45%	512,941
Hounsfield	12/31/2022	6,997,944 [4]	- [5]	6,997,944	1.26%	88,174
Lorraine	12/31/2022	- [4]	- [5]	-	100.00%	-
Rodman	12/31/2022	- [4]	- [5]	-	100.00%	-
Rutland	12/31/2022	4,625,152 [4]	- [5]	4,625,152	2.74%	126,729
Watertown	6/2/2023	29,911,343 [3]	15,728,292	14,183,051	21.42%	3,038,010
Worth	12/31/2022	- [4]	- [5]	-	100.00%	-
Boylston	12/31/2022	- [4]	- [5]	-	2.19%	-
Pinckney	12/31/2022	114,822 [4]	- [5]	114,822	1.13%	1,297
Village of:						
Adams	5/31/2023	6,438,458 [4]	- [5]	6,438,458	100.00%	6,438,458
Mannsville	5/31/2023	841,267 [4]	- [5]	841,267	100.00%	841,267
					Total:	$ 12,956,677

(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 1, 2024:

	Amount Indebtedness	Per Capita [a]	Percentage of Full Valuation [b]
Net Indebtedness (see "Debt Statement Summary")	$ 20,022,200	$ 1,837.91	2.24%
Net Indebtedness Plus Net Overlapping Indebtedness [c]	32,978,877	3,027.25	3.69

[a] The 2022 estimated population of the District is 10,894 (See "THE SCHOOL DISTRICT – District Population" herein)

[b] The District's full value of taxable real estate for 2023-2024 is $894,003,605. (See "TAX INFORMATION – Taxable Assessed Valuations" herein)

[c] Estimated net overlapping indebtedness is $12,956,677. (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 Bond 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. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

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

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak had caused the federal government to declare a national state of emergency. The State also initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. Schools and non-essential businesses have been allowed to reopen under guidelines issues by the State. These steps had a material impact on public gatherings and the operations of schools, non-essential businesses and other entities for an extended period. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" herein).

TAX MATTERS

Opinion of Bond Counsel

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

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Note Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

LEGAL MATTERS

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

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

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

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "A+" with a stable outlook to the District's outstanding serial bonds. This reflects only the view of S&P, and an explanation of the significance of such rating may be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Joshua Harthorne, Business Manager, South Jefferson Central School District, P.O. Box 10, Adams, New York 13605, telephone (315) 583-6104, fax (315) 583-6104, Email: jhartshorne@spartanpride.org.

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

SOUTH JEFFERSON CENTRAL SCHOOL DISTRICT

Dated: July 1, 2024

PAMELA DONOGHUE
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 3,203,420	$ 5,125,376	$ 3,310,099	$ 4,697,947	$ 4,210,346
Restricted Cash	282,341	397,646	1,180,261	2,552,199	3,552,199
Accounts Receivable	1,891	227	24,654	96,457	85,099
Due from Other Funds	1,099,529	1,022,861	1,411,158	1,295,841	2,818,587
State and Federal Aid Receivable	1,252,451	2,412,719	2,050,851	1,630,224	1,140,013
Other Receivables	-	28,263	29,024	29,626	30,622
Prepaid Expenditures	31,983	32,783	34,095	35,119	46,363
TOTAL ASSETS	$ 5,871,615	$ 9,019,875	$ 8,040,142	$ 10,337,413	$ 11,883,229
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 96,022	$ 48,742	$ 71,216	$ 158,807	$ 129,098
Accrued Liabilities	177,914	217,423	242,801	216,611	208,148
Due to Other Funds	40,099	1,775,642	-	-	-
Due to Other Governments	67,313	67,313	70,449	70,449	69,447
Due to Teachers' Retirement System	58,141	61,840	1,099,749	1,246,474	1,337,070
Due to Employee's Retirement System	-	8,285	141,326	127,583	148,503
Compensated Absences	-	-	-	-	-
Deferred Revenue	-	482,543	-	11,095	69,836
Bond Anticipation Notes Payable		742,567	-	-	-
TOTAL LIABILITIES	$ 439,489	$ 3,404,355	$ 1,625,541	$ 1,831,019	$ 1,962,102
FUND EQUITY					
Nonspendable	$ 31,983	$ 32,783	$ 34,095	$ 35,119	$ 46,363
Restricted	282,341	282,341	1,180,261	2,552,199	3,552,199
Assigned	2,416,581	2,349,992	2,183,188	2,031,849	1,582,906
Unassigned	2,701,221	2,950,404	3,017,057	3,887,227	4,739,659
TOTAL FUND EQUITY	$ 5,432,126	$ 5,615,520	$ 6,414,601	$ 8,506,394	$ 9,921,127
TOTAL LIABILITIES & FUND EQUITY	$ 5,871,615	$ 9,019,875	$ 8,040,142	$ 10,337,413	$ 11,883,229

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:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 6,345,091	$ 6,559,170	$ 6,860,158	$ 7,168,457	$ 7,288,252
Real Property Tax Items	1,152,698	1,117,146	1,071,745	1,032,317	998,455
Charges for Services	153,322	162,767	149,286	47,664	182,491
Use of Money & Property	4,684	21,901	71,330	3,105	6,382
Sale of Property and Compensation for Loss	18,480	8,739	5,715	223	27,765
Miscellaneous	296,014	269,729	240,950	348,381	235,151
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	23,606,366	24,506,990	25,412,744	26,181,951	26,458,283
Revenues from Federal Sources	99,320	84,857	46,158	450,802	36,543
Total Revenues	$ 31,675,975	$ 32,731,299	$ 33,858,086	$ 35,232,900	$ 35,233,322
Other Sources:					
Interfund Transfers	-	-	27,833	195,217	533,662
Total Revenues and Other Sources	$ 31,675,975	$ 32,731,299	$ 33,885,919	$ 35,428,117	$ 35,766,984
EXPENDITURES					
General Support	$ 2,893,054	$ 2,873,565	$ 3,787,128	$ 3,594,089	$ 3,244,851
Instruction	14,908,425	15,187,906	15,386,679	14,234,262	13,946,137
Pupil Transportation	1,675,503	1,675,318	1,541,490	1,457,443	1,781,500
Community Services	-	-	-	-	-
Employee Benefits	7,620,983	7,917,853	8,844,602	9,303,692	9,167,885
Debt Service	500,481	604,736	635,207	1,363,690	2,012,381
Total Expenditures	$ 27,598,446	$ 28,259,378	$ 30,195,106	$ 29,953,176	$ 30,152,754
Other Uses:					
Interfund Transfers	3,603,481	3,529,796	3,507,419	3,523,307	3,522,437
Total Expenditures and Other Uses	31,201,927	31,789,174	33,702,525	33,476,483	33,675,191
Excess (Deficit) Revenues Over Expenditures	474,048	942,125	183,394	1,951,634	2,091,793
FUND BALANCE					
Fund Balance - Beginning of Year	4,015,953	4,490,001	5,432,126	4,462,967	6,414,601
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 4,490,001	$ 5,432,126	$ 5,615,520	$ 6,414,601	$ 8,506,394

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 Year Ending June 30:	2023 Original Budget	2023 Final Budget	2023 Actual	2024 Adopted Budget	2025 Adopted Budget
REVENUES					
Real Property Taxes	$ 8,390,000	$ 8,390,000	$ 7,505,399	$ 8,550,000	$ 8,721,000
Real Property Tax Items	40,000	53,500	946,791	58,500	58,500
Charges for Services	-	130,862	179,242	-	46,000
Use of Money & Property	-	2,500	387,187	-	2,500
Sale of Property and Compensation for Loss	-	-	44,676	-	37,000
Miscellaneous	206,500	166,000	271,696	203,000	164,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	28,547,479	28,547,479	28,906,979	32,171,808	33,618,572
Revenues from Federal Sources	-	-	63,402	-	-
Total Revenues	$ 37,183,979	$ 37,290,341	$ 38,305,372	$ 40,983,308	$ 42,647,572
Other Sources:					
Appropriated Fund Balnce	-	-	-	1,500,000	1,500,000
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	$ 37,183,979	$ 37,290,341	$ 38,305,372	$ 42,483,308	$ 44,147,572
EXPENDITURES					
General Support	$ 3,946,767	$ 4,053,277	$ 3,457,730	$ 4,411,663	$ 7,643,789
Instruction	16,734,456	16,568,673	15,175,550	18,966,385	17,333,117
Pupil Transportation	2,330,210	2,353,016	1,825,873	2,810,737	2,642,245
Community Services	-	-	-	-	-
Employee Benefits	11,010,175	10,580,504	9,693,250	11,616,454	11,873,305
Debt Service	774,640	2,243,925	2,243,925	4,678,069	1,118,155
Total Expenditures	$ 34,796,248	$ 35,799,395	$ 32,396,328	$ 42,483,308	$ 40,610,611
Other Uses:					
Interfund Transfers	4,287,731	4,522,795	4,494,311	-	3,536,961
Total Expenditures and Other Uses	39,083,979	40,322,190	36,890,639	42,483,308	44,147,572
Excess (Deficit) Revenues Over Expenditures	(1,900,000)	(3,031,849)	1,414,733	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	1,900,000	1,900,000	8,506,394		
Prior Period Adjustments (net)	-	1,131,849	-		
Fund Balance - End of Year	$ -	$ -	$ 9,921,127	$ -	$ -

Source: 2022 Audited financial report and 2023 adopted budget of the School District. This Appendix is not itself audited.

APPENDIX - B
South Jefferson CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	$ 2,240,000	$ 487,610.42	$ 2,727,610.42
2025	2,185,000	319,375.00	2,504,375.00
2026	500,000	263,112.50	763,112.50
2027	525,000	241,212.50	766,212.50
2028	550,000	218,212.50	768,212.50
2029	570,000	194,112.50	764,112.50
2030	590,000	169,012.50	759,012.50
2031	625,000	142,550.00	767,550.00
2032	540,000	114,350.00	654,350.00
2033	535,000	88,250.00	623,250.00
2034	560,000	61,500.00	621,500.00
2035	590,000	33,500.00	623,500.00
2036	80,000	4,000.00	84,000.00
TOTALS	$ 10,090,000	$ 2,336,797.92	$ 12,426,797.92

CURRENT DEBT OUTSTANDING

Fiscal Year Ending June 30th	2015 Various Capital Improvements Principal	Interest	Total	2016 Various Capital Improvements Principal	Interest	Total
2024	$ 495,000	$ 21,881.25	$ 516,881.25	$ 95,000	$ 17,012.50	$ 112,012.50
2025	505,000	11,362.50	516,362.50	95,000	15,112.50	110,112.50
2026	-	-	-	95,000	13,212.50	108,212.50
2027	-	-	-	100,000	11,312.50	111,312.50
2028	-	-	-	105,000	9,312.50	114,312.50
2029	-	-	-	105,000	7,212.50	112,212.50
2030	-	-	-	105,000	5,112.50	110,112.50
2031	-	-	-	110,000	2,750.00	112,750.00
TOTALS	$ 1,000,000	$ 33,243.75	$ 1,033,243.75	$ 810,000	$ 81,037.50	$ 891,037.50

Fiscal Year Ending June 30th	2022 Refunding of 2012 & 2014 Bonds Principal	Interest	Total	2023 DASNY Series A Principal	Interest	Total
2024	$ 1,170,000	$ 79,800.00	$ 1,249,800.00	$ 480,000	$ 368,916.67	$ 848,916.67
2025	1,225,000	31,900.00	1,256,900.00	360,000	261,000.00	621,000.00
2026	25,000	6,900.00	31,900.00	380,000	243,000.00	623,000.00
2027	25,000	5,900.00	30,900.00	400,000	224,000.00	624,000.00
2028	25,000	4,900.00	29,900.00	420,000	204,000.00	624,000.00
2029	25,000	3,900.00	28,900.00	440,000	183,000.00	623,000.00
2030	25,000	2,900.00	27,900.00	460,000	161,000.00	621,000.00
2031	30,000	1,800.00	31,800.00	485,000	138,000.00	623,000.00
2032	30,000	600.00	30,600.00	510,000	113,750.00	623,750.00
2033	-	-	-	535,000	88,250.00	623,250.00
2034	-	-	-	560,000	61,500.00	621,500.00
2035	-	-	-	590,000	33,500.00	623,500.00
2036	-	-	-	80,000	4,000.00	84,000.00
TOTALS	$ 2,580,000	$ 138,600.00	$ 2,718,600.00	$ 5,700,000	$ 2,083,916.67	$ 7,783,916.67

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

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

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

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

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

(g) modifications to rights of security holders, if material;

(h) note calls, if material and tender offers;

(i) defeasances;

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

(k) rating changes;

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

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

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

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

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

SOUTH JEFFERSON CENTRAL SCHOOL DISTRICT
JEFFERSON, LEWIS AND OSWEGO COUNTIES, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2023

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

South Jefferson Central School District

Financial Statements with
Independent Auditors' Report

Year Ended June 30, 2023

South Jefferson Central School District
Table of Contents
45,107

Page (s)

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Robert F. Stackel, C.P.A.
Jacob Navarra, C.P.A.
Mark B. Hills, C.P.A.

Independent Auditors' Report

Board of Education
South Jefferson 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 South Jefferson Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the South Jefferson Central School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the South Jefferson 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the South Jefferson 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the South Jefferson 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, the schedule of funding progress - other post-employment benefits – last 5 fiscal years, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, the schedules of District contributions – NYSTRS & NYSERS pension plans – last 9 fiscal years, and the schedules of District's proportionate share of the net pension liability – NYSTRS & NYSERS pension plans – last 9 fiscal years on pages 5-14 and 62-66 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 South Jefferson Central School District's basic financial statements. The accompanying schedule of change from adopted budget to final budget and the real property tax limit – general fund, net investment in capital assets and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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, net investment in capital assets and schedule expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, on our consideration of South Jefferson 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 South Jefferson 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 South Jefferson Central School's internal control over financial reporting and compliance.

Stackel + Navarra, CPA, PC

Watertown, NY
October 16, 2023

South Jefferson Central School District
Management Discussion and Analysis
June 30, 2023

The following is a discussion and analysis of South Jefferson Central School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the school district's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the school district's financial statements, which immediately follows this section. Responsibility for completeness and fairness of the information contained rests with the school district.

School District Overview and Highlights

The school district is located in the northern tier of the state, approximately 45 miles from the Canadian border and employs approximately 350 full and part time professional and support staff. These employees are organized into three collective bargaining units (teaching staff, support staff, and administration). Successor agreements have been reached for the teaching and administration units; the support staff contract remains unsettled as of this writing.

The school district has continued to maximize sources of grants and aid from Federal and New York State sources, resulting in an average tax rate of $9.56, down from $10.81 dollars of assessed value over the ten towns and three counties that comprise the district. In general, taxpayers are content with the district; budgets have been adopted with consistent tax levy increases while school events are always a popular attraction.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD & A), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the school district.

- The first two statements are d*istrict-wide* financial statements that provide both *short-term* and *long-term* information about the school district's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the school district, reporting the school district's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the school district's most significant funds with all other non-major funds listed in total in one column.
- The *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.
- *Fiduciary funds* statements provide information about the financial relationships in which the school district acts solely as a *trustee* or *agent* for the benefit of others.

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 school district's budget for the year.

The following summarizes the major features of the school district's financial statements, including the portion of the school 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.

Major Features of the District-Wide and Fund Financial Statements			
		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 administers resources on behalf of someone else.
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 Assets 6. Statement of Changes in 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 captial, short term and long-term	Generally, assets expected to be used up and liablilties 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 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

District-Wide Statements

The district-wide statements report information about the school district as a whole using accounting methods similar to those used by private-sector companies. The *statement of net position* includes all of the school district's assets and liabilities. 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 school district's *net position* and how it has changed. The net position, the difference between the school district's assets and liabilities, is one way to measure the school district's financial health.

- Over time, increases or decreases in the school district's net position can be an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the school district's overall health, you need to consider additional nonfinancial factors such as changes in the school district's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the Statement of Activities depicts most of the school's basic services. Entitled *Governmental Activities,* include regular and special education services, pupil transportation, general support, and administration. Property taxes and state and federal aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the school district's funds, focusing on its most significant or "major" funds - not the school district as a whole. Funds are accounting devices the school district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The school district establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The district has two kinds of funds:

1.) **Governmental Funds:** Most of the school 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the school district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

2.) **Fiduciary Funds:** The school district is the trustee, or fiduciary, for assets that belong to others, such as the South Jefferson Central School District Group Health Plan Trust. The school district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The school district excludes these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The net position may serve as a useful indicator of a government's financial position. Over time in the case of the school district, liabilities exceeded assets by $59,558,474 at the close of the most recent fiscal year, an increase of $29,249,706 (net of a prior period adjustment). The negative net position is largely due to the required liability reporting mandated by GASB 75 regarding Other Postemployment Benefits Payable (OPEB). GASB 75 replaced GASB 45 for fiscal years beginning after June 15, 2017, resulting in an instant $44,115,428 increase to the District's liability in 2018. The valuation methodology of Net OPEB Obligation has been modified to report the entire unfunded liability of OPEB obligations. GASB 75 is further discussed in the notes to the financial statements.

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

The following schedule summarizes the school district's net position. The complete Statement of Net Position can be found in the school district's basic financial statements.

Condensed Statement of Net Position

	2022-2023	2021-2022
ASSETS		
Current and other assets	$ 13,763,482	$ 24,232,946
Capital assets, net	52,763,002	53,684,125
Total Assets	$ 66,526,484	$ 77,917,071
DEFERRED OUTFLOWS OF RESOURCES	$ 47,792,122	$ 19,511,972
LIABILITIES		
Current liabilities	$ 6,860,808	$ 11,656,528
Long-term liabilities	139,278,488	158,915,360
Total Liabilities	$ 146,139,296	$ 170,571,888
DEFERRED OUTFLOWS OF RESOURCES	$ 27,737,964	$ 15,665,335
NET POSITION		
Invested in capital assets net of related debt	$ 39,622,025	$ 36,565,681
Restricted	3,877,580	2,847,523
Unrestricted	(103,058,079)	(128,221,384)
Total Net Position	$ (59,558,474)	$ (88,808,180)

In general, current assets are those assets that are available to satisfy current obligations and current liabilities are those liabilities that will be paid within one year. Current assets consist primarily of cash equivalents and state and federal aid receivable.

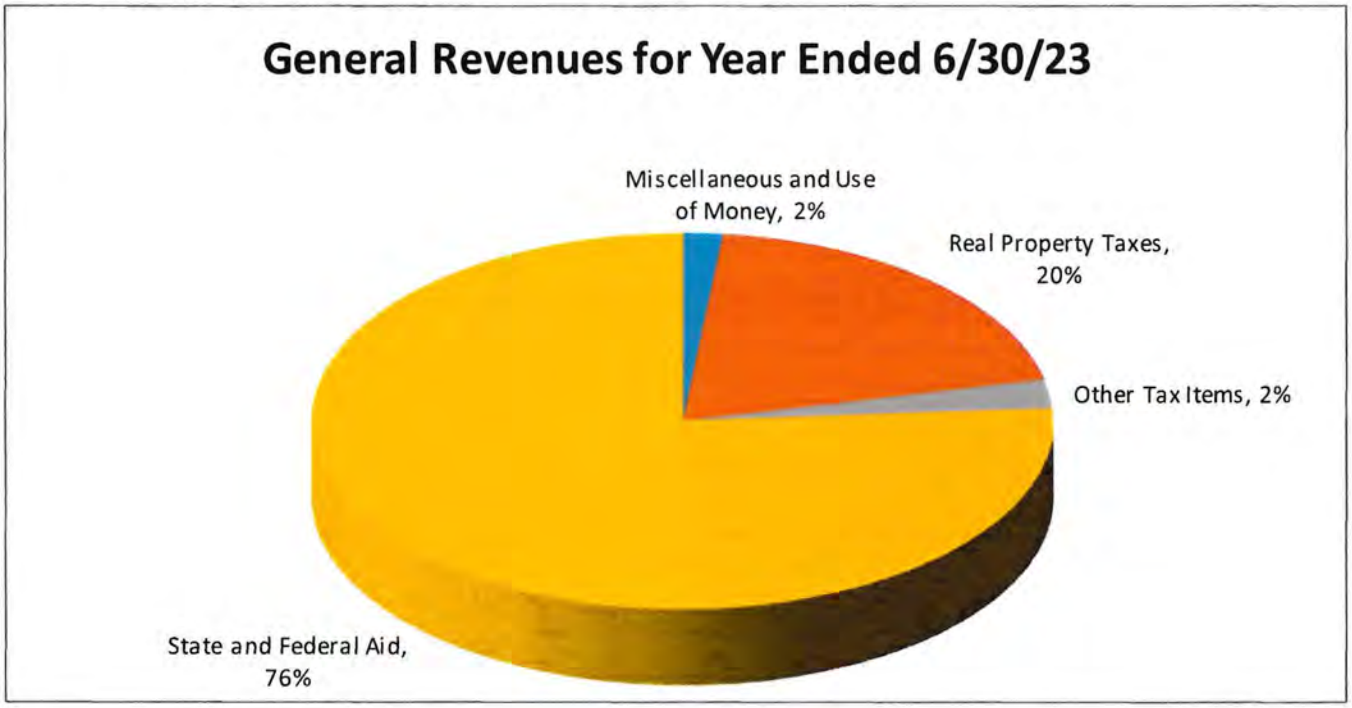
The Statement of Activities shows the cost of program services net of charges for services and grants offsetting those services. General revenues including tax revenue, investment earnings and unrestricted state and federal aid must support the net cost of the school district's programs.

The following schedule summarizes the school district's activities. The complete Statement of Activities can be found in the School District's basic financial statements.

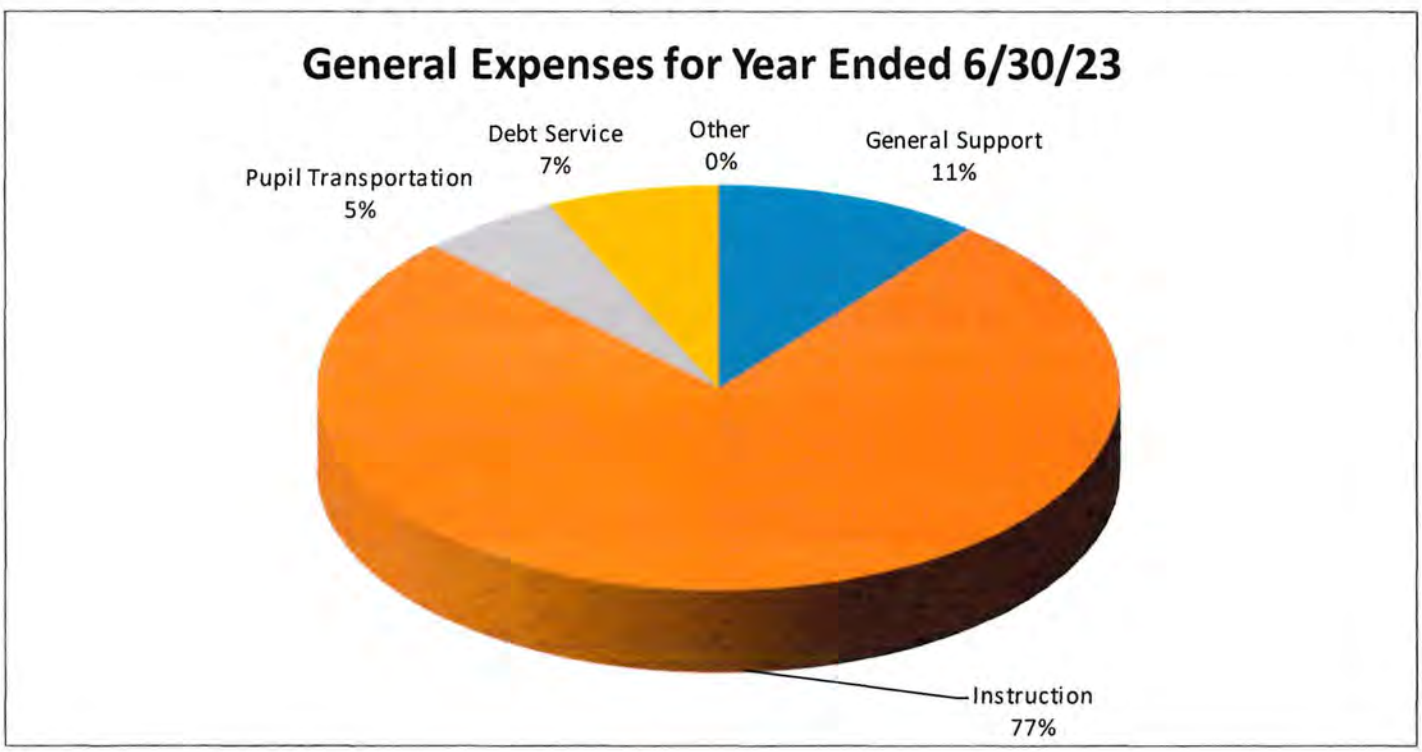
Condensed Statement of Activities

Revenues	**2022-2023**	**2021-2022**
Program Revenues		
Charges for services	$ 511,264	$ 257,569
Operating grants	4,669,000	5,387,294
Capital grants	1,676	101,188
General Revenues		
Property and other tax items	8,452,190	8,286,707
Use of money and property	189,333	6,458
Sale of property and compensation for loss	39,467	27,765
Federal sources	63,402	36,543
State sources	28,726,940	26,287,596
Other	505,403	558,005
Total Revenues	**$ 43,158,675**	**$ 40,949,125**
Expenses		
General Support	$ 2,509,613	$ 8,603,557
Instruction	8,267,378	62,677,815
Pupil Transportation	1,519,305	6,708,811
Debt Service	625,200	322,225
School Lunch Program - Cost of Food Sales	864,631	2,352,219
Total Expenses	**$ 13,786,127**	**$ 80,664,627**
Change in Net Position	**$ 29,372,548**	**$ (39,715,502)**

The Statement of Activities includes the activity of the Special Aid funds, which are comprised of a number of state and federal grant programs. The school lunch fund, also known as the cafeteria fund, is included here as well. It is designed to be self-supporting, with revenues nearly matching expenditures. For many years prior to 2012 school lunch revenues exceed expenses; however, thereafter the program experienced a significant decrease in the fund balance. For the first time in four years, the School Lunch Fund experienced a reduction in fund balance, primarily due to the return of pre-COVID-19 and the removal of the USDA initiative to provide availability of free meals to children and reimburse districts at the New York State Free Lunch Rate. Finally, the statements also include the related debt service funds and the capital projects fund. These are also discussed later.



The school district is heavily dependent on both state and federal aid for its funding. State aid and the federal grants combined account for 76% of total revenues – consistent with prior year.



General Fund Budgetary Highlights

The school district's adjusted budget for the 2022-2023 school year was $40,322,190. Actual expenditures totaled $36,890,639 which includes transfers out and debt service of $4,494,311, for a favorable variance of $3,348,645 (including $82,906 encumbered and carried into the next year as an adjustment to the 2023-2024 budget). The schedule below shows, in general terms, how the actual expenditures are distributed and compared to final budgeted appropriations:

Results vs. Budget (in thousands of dollars)

	Original Budget	Final Budget	Actual	Variance
Revenue:				
Local Sources	$ 8,636	$ 8,742	$ 9,109	$ 367
State Sources	28,547	28,547	28,907	360
Federal & Lease Souces	-	-	288	288
Total	$ 37,183	$ 37,289	$ 38,304	$ 1,015
Expense:				
General Support	$ 3,947	$ 4,053	$ 3,458	$ 595
Instruction	16,734	16,569	15,176	1,393
Pupil Transportation	2,330	2,353	1,826	527
Employee Benefits	11,010	10,580	9,693	887
Debt Service	774	2,244	2,244	-
Transfers to Other Funds	4,288	4,523	4,494	29
Total	$ 39,083	$ 40,322	$ 36,891	$ 3,431

The school district under-expended its budget by $3,348,645. As is the district's practice and budgetary control and as demonstrated in the financial statements, all functional budget codes were under-expended. The 2022-2023 school year returned to a more typical school year. Supervision regular school, guidance regular school costs, psychological, and social work services were under budget due to the assistance of the continuing impact of the American Rescue Plan ESSER 3 grant. Subsequently, employee benefits costs associated with said salaries were under expended proportionately. Lastly, transportation costs were under expended as well and can be attributed to the bus driver shortage.

The school district's general fund receives its funding from many sources. The schedule above also depicts the actual revenues relative to the final budgeted revenues.

The district attempts to facilitate a conservative prediction of revenues; district officials show caution when building budgets. Due to the tenuous nature of predicting state aid, the district strategy is to underestimate all revenues; this year the district received more than they budgeted. The net variance was a positive $1,015,031 for total revenues in the 2022-2023 school year.

ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Financial position (year to year) – General Fund

The General Fund fund balance increased to $9,921,127 on June 30, 2023. This was an increase of $1,414,733. That fund balance over time is outlined as follows:

June 30, 2023	$ 9,921,127
June 30, 2022	$ 8,506,394
June 30, 2021	$ 6,414,601
Restated June 30, 2020	$ 4,462,967
June 30, 2019	$ 5,432,126
June 30, 2018	$ 4,490,001
June 30, 2017	$ 4,015,953

The attempt on the part of the district to maintain the size of the fund balance from changing significantly has been reasonably successful over the years. The increase in the 2022-2023 year reflects the positive variance in revenues coupled with unexpended budget results due to the continued assistance of the American Rescue Plan ESSER 3 funds. The District was able to fund a Capital Reserve for $1,000,000, fund the Retirement Contribution Fund (ERS) for $250,000, Workers Compensation Reserve for $250,000, fund the Teacher Retirement System reserve for $230,000, fund the reserve for property loss and liability for $43,000 and $27,000 respectively.

Capital Projects Fund

The Capital Projects Fund shows a negative fund balance of ($1,685,262). The Capital Projects Fund continues to show a negative fund balance as a result of the issuance of short-term bus bond anticipation notes (BAN). The outstanding bus BAN represents ($2,211,400) of the total fund balance in the Capital Projects Fund. The balance of the fund balance is the net result of the $1,000,000 transfer from the Capital Fund Reserve less the expenditures for the new $17.1 million dollar capital project, which received voter approval in December, 2022.

Because the district uses short term financing to purchase buses (to more closely match state aid streams) and uses short term financing for capital projects, the capital fund will continue to show deficit fund balances until permanent financing is secured.

School Lunch (Cafeteria) Fund

The School Lunch Fund fund balance showed a net decrease of $164,512, bringing the fund balance as of June 30, 2023, to $292,890.

During the COVID-19 shutdown the United State Department of Agriculture initiated a "summer meal program" to allow our District to offer free meals to all children under 18. The District received the child nutrition state and federal free/reduced meal reimbursement rate. The program did not see the same participation as prior year when the District delivered meals to households during the 2020 COVID shutdown. The department continued its concentrated efforts to cut costs and utilize government commodities inventory by providing nutritious meals. Expenses in this fund largely reflect food costs, employee wages, and fringe benefits. While the General Fund covers some of the fringe benefits of the employees that work in that fund, a $32,100 transfer was budgeted from the General Fund to the School Lunch Fund during the 2022-2023 school year. The General Fund is responsible to reimburse the School Lunch Fund for all outstanding student meal charges at year end, due to student meals being free there were no charges.

As a result of a large fund balance ending June 30, 2022, the district implemented a program to reduce the size of the fund balance, covering expenses attributable to the school lunch fund, implementing one-time equipment purchases, and an improvement in meals served. While the District maintains its goal to eventually sustain the School Lunch fund without a transfer from General Fund, it is imperative to encourage parents and children to participate in the free and reduced program available to eligible families. In that effort to improve participation, School Lunch is evaluating successful menu items, trialing new meals, and concentrating on a more positive dining room experience. Continued evaluation of food costs, implementing more product cross utilization, detailed menu planning and encouraging an increase in staff attendance with a positive environment are priorities for the department and will help the long-term goal of self-sustainability.

Special Aid Funds

Federal and State grants provide funding for specific purposes ranging from reading improvement to servicing the needs of students with disabilities. These grants are included in a schedule of Expenditures of Federal Awards. 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. Final cost reports have been filed and approved by the State Education Department for each grant.

CAPITAL ASSET AND DEBT ADMINISTRATION

The financial statements provide a picture of capital assets over time. These include land, buildings, equipment and furniture. In response to the auditor's management letter from several years ago, the district contracted with the firm of Industrial Appraisal to take a physical inventory of all district assets; a tagging inventory system was also among the services that were contracted. This effort was completed in late Fall, 2006. As a result, the estimated costs of fixed assets acquired prior to 2002 have been adjusted. The original cost of fixed assets has been increased by construction in progress, the purchase of buses, and the acquisition of other fixed assets. Accumulated depreciation has been changed according to the sale of certain buses and the normal depreciation schedule.

For more information regarding fixed assets, refer to Note 6 in the notes to financial statements.

Long-Term Debt

The current capital project converted Bond Anticipation Notes to Serial Bonds in 2022-2023; the schedule reflects those borrowings accordingly.

The table outlined on Note 9 – Long Term Obligations represents the entire bond payment schedule, as well as current borrowing activity for the district.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's annual audit as of June 30, 2023 indicates that it is in sound financial condition. Management believes this audit confirms and continues that trend. Past budgets for South Jefferson have been difficult with the uncertainty of the fiscal condition of New York State, unpredictable pension costs, state aid short falls, the looming fiscal cliff, and the restricting impact of the tax cap legislation. District officials continue to comply with the tax cap legislation; voters approved the 2023-2024 budget with an increase in its local levy by 1.00%, which represented the allowable increase under the law without asking for a supermajority vote. The District will continue to meet the current program needs while following the multiyear plan to leverage unappropriated fund balance in order to strengthen the District's ability to weather seasons of fiscal stress. New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years. This announcement is good news for South Jefferson as the District's Foundation Aid has been underfunded over $64 million since the 2007-2008 fiscal year. The foundation aid formula takes school district wealth and student need into account to create an equitable distribution of state funding. The aid has never been fully funded and litigation has been ongoing since 2014.

Due to the COVID19 Pandemic, the federal government passed two major federal grants that South Jefferson has accessed: CRRSA (Coronavirus Response and Relief Supplemental Appropriations Act of 2021) and ARP (American Rescue Plan). These funds focus on supporting the safe return to in-person instruction and continuity of service, addressing the impact of lost instructional time, support social and emotional needs, and addressing the impacts on economically disadvantaged students, children with disabilities, and minorities. The CRRSA grant is over a 2 fiscal year period, ending September 30, 2023 and the ARP is over a 3-year fiscal period ending September 30, 2024. The District was successful in application and approval for these funds and the spending plan is in process.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT TEAM

This report is designed to provide the school district's citizens, taxpayers, customers, investors, and creditors with a general overview of the school district's finances and to demonstrate the school district's accountability for the money it receives. If you have questions about this report or need additional information, contact the following district officials at the address below.

Christina Chamberlain, Superintendent of Schools
South Jefferson Central School District
P.O. Box 10
Adams, New York 13605

Phone: 315-583-6104
Fax: 315-583-6381
Email: cchamberlain@spartanpride.org

South Jefferson Central School District
Statement of Net Position
Governmental Activities
June 30, 2023

Assets		
Cash		
Unrestricted	$ 4,629,802	
Restricted	4,834,166	
Accounts receivable	85,099	
State and Federal aid receivable	3,457,361	
Utility deposit	30,622	
Prepaid expenses	46,363	
Inventories	42,365	
Right-to-use assets, net	637,704	
Capital assets, net	52,763,002	
Total Assets		$ 66,526,484
Deferred outflows of resources		
Pensions	$ 9,839,768	
Other postemployment benefits	37,952,534	
Total deferred outflows of resources		$ 47,792,302
Liabilities		
Payables		
Accounts payable	$ 200,491	
Accrued liabilities	280,821	
Due to teachers' retirement system	1,337,070	
Due to employees' retirement system	148,503	
Due to other governments	70,832	
Bond anticipation notes payable	2,211,400	
Unearned credits		
Unearned revenues	90,700	
Long-term liabilities		
Due and payable within one year		
Lease liabilities	213,361	
Serial bonds	2,307,630	
Due and payable after one year		
Lease liabilities	346,614	
Serial bonds	8,621,947	
Compensated absences payable	218,078	
Net pension liability- proportionate share	4,149,272	
Other postemployment benefits payable	125,942,577	
Total Liabilities		$ 146,139,296
Deferred inflows of resources		
Pensions	$ 823,829	
Other postemployment benefits	26,914,135	
Total deferred inflows of resources		$ 27,737,964
Net Position		
Net investment in capital assets	$ 39,622,025	
Restricted	3,877,580	
Unrestricted (Deficit)	(103,058,079)	
Total Net Position		$ (59,558,474)

See notes to financial statements.

South Jefferson Central School District
Statement of Activities and Changes in Net Position
Governmental Activities
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Capital Grants	
Functions/Programs					
General support	$ 2,509,613	$ -	-	-	$ (2,509,613)
Instruction	8,267,378	179,242	3,832,904	1,676	(4,253,556)
Pupil transportation	1,519,305	-	-	-	(1,519,305)
Debt service	625,200	-	-	-	(625,200)
School food service	864,631	332,022	836,096	-	303,487
Total Functions and Programs	$ 13,786,127	$ 511,264	$ 4,669,000	$ 1,676	(8,604,187)
General Revenues					
Real property taxes					7,505,399
Other tax items					946,791
Use of money and property					189,333
Sale of property and compensation for loss					39,467
Miscellaneous					505,403
State sources					28,726,940
Federal sources					63,402
Total General Revenues					37,976,735
Change in Net Position					29,372,548
Total Net Position - Beginning of year					(88,808,180)
Prior period adjustments					(122,842)
Total Net Position - End of year					$ (59,558,474)

See notes to financial statements.

South Jefferson Central School District
Balance Sheet - Governmental Funds
June 30, 2023

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
Assets							
Cash							
Unrestricted	$ 4,210,346	$ -	$ 419,456	$ -	$ -	$ -	$ 4,629,802
Restricted	3,552,199	-	-	-	1,035,553	246,414	4,834,166
Receivables							
Accounts receivable	85,099	-	-	-	-		85,099
Due from other funds	2,818,587	-	-	79,746	-	956	2,899,289
State and Federal aid	1,140,013	1,963,594	48,771	-	304,983	-	3,457,361
Utility deposit	30,622	-	-	-	-	-	30,622
Inventories	-	-	42,365	-	-	-	42,365
Prepaid expenses	46,363	-	-	-	-	-	46,363
Total Assets	$ 11,883,229	$ 1,963,594	$ 510,592	$ 79,746	$ 1,340,536	$ 247,370	$ 16,025,067
Liabilities							
Payables							
Accounts payable	$ 129,098	$ 9,280	$ 23	$ -	$ 61,250	$ 840	$ 200,491
Accrued liabilities	208,148	1,000	3,498	-	-	-	212,646
Due to other funds	-	1,948,614	197,527	-	753,148	-	2,899,289
Due to other governments	69,447	-	490	-	-	895	70,832
Due to teachers' retirement system	1,337,070	-	-	-	-	-	1,337,070
Due to employees' retirement system	148,503	-	-	-			148,503
Bond anticipation notes payable	-	-	-	-	2,211,400	-	2,211,400
Unearned credits							
Unearned revenue	69,836	4,700	16,164	-	-	-	90,700
Total Liabilities	1,962,102	1,963,594	217,702	-	3,025,798	1,735	7,170,931
Fund Balances							
Nonspendable	46,363	-	42,365	-	-	-	88,728
Restricted	3,552,199	-	-	79,746	-	245,635	3,877,580
Assigned	1,582,906	-	250,525	-	-	-	1,833,431
Unassigned	4,739,659	-	-	-	(1,685,262)	-	3,054,397
Total Fund Balances	9,921,127	-	292,890	79,746	(1,685,262)	245,635	8,854,136
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,883,229	$ 1,963,594	$ 510,592	$ 79,746	$ 1,340,536	$ 247,370	$ 16,025,067

See notes to financial statements.

South Jefferson Central School District
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended June 30, 2023

	Total Governmental Funds	Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Assets				
Unrestricted	$ 4,629,802	$ -	$ -	$ 4,629,802
Restricted	4,834,166	-	-	4,834,166
Accounts receivable	85,099	-	-	85,099
Due from other funds	2,899,289	-	(2,899,289)	-
State & federal aid receivable	3,457,361	-	-	3,457,361
Utility deposit	30,622	-	-	30,622
Prepaid expenses	46,363	-	-	46,363
Inventories	42,365	-	-	42,365
Right-to-use assets, net	-	637,704	-	637,704
Land, buildings and equipment (net)	-	52,763,002	-	52,763,002
Total Assets	$ 16,025,067	$ 53,400,706	$ (2,899,289)	$ 66,526,484
Deferred outflows of resources				
Pensions	$ -	$ 9,839,768	$ -	$ 9,839,768
Other postemployment benefits	-	37,952,534	-	37,952,534
Total deferred outflows of resources	$ -	$ 47,792,302	$ -	$ 47,792,302
Liabilities				
Accounts payable	$ 200,491	$ -	$ -	$ 200,491
Accrued liabilities	212,646	68,175	-	280,821
Due to teachers' retirement system	1,337,070	-	-	1,337,070
Due to employees' retirement system	148,503	-	-	148,503
Due to other governments	70,832	-	-	70,832
Due to other funds	2,899,289	-	(2,899,289)	-
Bond anticipation notes payable	2,211,400	-	-	2,211,400
Unearned credits				
Unearned revenue	90,700	-	-	90,700
Compensated absences payable	-	218,078	-	218,078
Lease liabilities	-	559,975	-	559,975
Serial bonds payable	-	10,929,577	-	10,929,577
Net pension liability - proportionate share	-	4,149,272	-	4,149,272
Other postemployment benefits payable	-	125,942,577	-	125,942,577
Total Liabilities	$ 7,170,931	$ 141,867,654	$ (2,899,289)	$ 146,139,296
Deferred inflows of resources				
Pensions	$ -	$ 823,829	$ -	$ 823,829
Other postemployment benefits	-	26,914,135	-	26,914,135
Total deferred inflows of resources	$ -	$ 27,737,964	$ -	$ 27,737,964
Fund Balance/Net Position				
Total Fund Balance/Net Position	$ 8,854,136	$ (68,412,610)	$ -	$ (59,558,474)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	$ 16,025,067	$ 101,193,008	$ (2,899,289)	$ 114,318,786

See notes to financial statements.

South Jefferson Central School District
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2023

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscellaneous Special Reveue	Total Governmental Funds
Revenues							
Real property taxes	$ 7,505,399	$ -	$ -	$ -	$ -	$ -	$ 7,505,399
Other tax items	946,791	-	-	-	-	-	946,791
Charges for services	179,242	-	-	-	-	-	179,242
Use of money and property	162,097	-	215	27,008	-	13	189,333
Sale of property and compensation for loss	44,676	-	-	-	-	-	44,676
Miscellaneous	271,696	-	1,884	-	-	221,628	495,208
State sources	28,885,196	518,739	21,292	-	1,676	-	29,426,903
Federal sources	63,402	3,144,641	701,340	-	-	-	3,909,383
Medicaid reimbursement	21,783	-	-	-	-	-	21,783
Surplus food	-	-	102,949	-	-	-	102,949
Sales - school lunch	-	-	332,022	-	-	-	332,022
Total Revenues	38,080,282	3,663,380	1,159,702	27,008	1,676	221,641	43,153,689
Expenditures							
General support	3,457,730	-	594,124	-	-	228,786	4,280,640
Instruction	15,175,550	3,292,041	-	-	-	-	18,467,591
Pupil transportation	1,825,873	46,325	-	-	-	-	1,872,198
Employee benefits	9,693,250	358,525	113,557	-	-	-	10,165,332
Debt service			-				
Principal	2,001,478	-	-	3,100,000	-	-	5,101,478
Interest	242,447	-	-	254,694	-	-	497,141
Cost of sales	-	-	622,639	-	-	-	622,639
Capital outlay	-	-	-	-	1,331,275	-	1,331,275
Total Expenditures	32,396,328	3,696,891	1,330,320	3,354,694	1,331,275	228,786	42,338,294
Excess (Deficiency) of Revenues Over Expenditures	5,683,954	(33,511)	(170,618)	(3,327,686)	(1,329,599)	(7,145)	815,395
Other Financing Sources and Uses							
Operating transfers in	-	33,511	6,106	3,354,694	1,715,000	-	5,109,311
Operating transfers (out)	(4,494,311)	-	-	(615,000)	-	-	(5,109,311)
Lease proceeds	225,090	-	-	-	-	-	225,090
Proceeds of debt	-	-	-	-	7,456,400	-	7,456,400
Premium on bonds/BANs	-	-	-	775,714	-	-	775,714
Bond issuance fees	-	-	-	(150,520)	-	-	(150,520)
Total Other Sources (Uses)	(4,269,221)	33,511	6,106	3,364,888	9,171,400	-	8,306,684
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	1,414,733	-	(164,512)	37,202	7,841,801	(7,145)	9,122,079
Fund Balances - Beginning of year	8,506,394	-	457,402	42,544	(9,535,234)	252,780	(276,114)
Add prior period adjustment	-	-	-	-	8,171	-	8,171
Fund Balances - End of year	$ 9,921,127	$ -	$ 292,890	$ 79,746	$ (1,685,262)	$ 245,635	$ 8,854,136

See notes to financial statements.

South Jefferson Central School District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 9,122,079
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period, less net cost capital assets that were disposed.		
Capital outlays	$ 1,650,091	
Depreciation expense	(2,566,005)	
Disposal gain adjustment	(5,209)	(921,123)
Governmental funds report right-to-use assets as expenditures. However, in the Statement of Activities right-to-use assets are capitalized and the cost is allocated over the lease term.		
Right-to-use assets additions	226,344	
Amortization expense	(248,238)	(21,894)
Repayment of debt and lease principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period plus amortization of premium on bonds.		5,126,032
Proceeds of debt and lease liabilities are recorded as an other financing source for governmental funds, but is not recorded in the Statement of Activities. This is the amount of proceeds plus premium on bonds.		(8,447,010)
(Increases) decreases in accrued compensated absences 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.		(15,157)
On the Statement of Activities, the actual and projected long term expenditures for post employment benefits are reported, whereas on the governmental funds only the actual expenditures are recorded for post employment benefits.		25,647,045
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	(509,058)	
Employees' Retirement System	(606,273)	(1,115,331)
Deferred bond refunding costs are recognized as expenditures in the governmental funds, however, amortized over the shorter of the life of the new or old bonds in the Statement of Activities. This is the amount that these costs are amortized and presented as part of debt services - interest.		(17,093)
Accrued interest expense is recorded in the Statement of Activities but not in the governmental funds. The increase in accrued interest is reported in expense.		15,000
Change in net position of governmental activities		$ 29,372,548

South Jefferson Central School District
Statement of Fiduciary Net Position
For the Year Ended June 30, 2023

	Other Employee Benefit Trust Fund
Assets	
Cash and cash equivalents	$ 6,937,874
Liabilities	
Accounts payable	216,356
Accrued benefits payable	335,000
Total liabilities	551,356
Net Position	
Restricted for employee and retiree health benefits	$ 6,386,518

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Other Employee Benefit Trust Fund
Additions	
Contributions	
Employer	$ 6,803,002
Members	716,754
Total contributions	7,519,756
Interest income	173,170
Prescription drug rebates	1,087,280
Total additions	8,780,206
Deductions	
Benefits	6,681,249
Stop loss insurance	208,731
Administrative	359,185
Total deductions	7,249,165
Net increase in fiduciary net position	1,531,041
Net Position - Beginning of year - restated	4,855,477
Net Position - End of Year	$ 6,386,518

1 – Summary of accounting policies

The financial statements of South Jefferson 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:

A) Reporting entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. 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 and its component unit and other organizational entities determined to be included in the District's financial reporting entity. 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.

i) Extraclassroom Activity Funds

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

ii) Other Employee Benefit Trust Fund

South Jefferson Central School District Health Plan Trust provides health, dental, and accident benefits to employees and retirees of the District. The Board of Education exercises general oversight of the trust. The trust is organized as a separate entity from the District. The District accounts for the trust activities in a fiduciary fund.

B) Joint venture:

The District is a component district in Jefferson – Lewis – Hamilton – Herkimer – Oneida Counties Board of Cooperative Educational 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 $3,025,269 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $2,665,646.

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

C) Basis of presentation:

i) District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and 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 Activities presents a comparison between direct 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. 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.

ii) Funds statements:

The fund statements provide information about the District's funds, including each type of fiduciary fund. 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.

The District reports the following major governmental funds:

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

Special 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 and school store operations 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. The Special Revenue Funds classified as major are:

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

School Food Service: Use to account for transactions of the lunch and breakfast programs.

Miscellaneous Special Revenue Fund: This fund is used to account for transactions of activities for which the District has administrative control, but the activities are not part of the District's operations. Included in this fund are the extraclassroom activity funds and scholarship funds.

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.

The District reports the following fiduciary funds:

Fiduciary Funds: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

There is one class of fiduciary fund:

Other Employee Benefit Trust Fund: South Jefferson Central School District Health Plan Trust provides health, dental, and accident benefits to enrolled individuals.

D) Measurement focus and basis of accounting:

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange 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 90 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 acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Property taxes:

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

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

F) Restricted resources:

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

G) Inter-fund transactions:

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

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

The governmental funds report all inter-fund transactions as originally recorded. Inter-fund 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 10 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures, and revenues activity.

H) Estimates:

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

I) Cash and Investments

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.

J) Accounts Receivable:

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

K) 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 receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

L) Other assets/restricted assets:

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

In the district-wide financial statements, bond 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.

M) Capital assets:

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process 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
Buildings	$ 50,000	Straight line	50 years
Land improvements	$ 25,000	Straight line	20 years
Furniture, vehicles & equipment	$ 5,000	Straight line	5 to 20 years

N) 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 proportion share of total contributions to the pension systems not included in pension expense. The second item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district wide Statements of Net Position. This represents the effect of the net change in the actual and expected experience.

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 had 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 (ERS System) and difference during the measurements periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to other post-employment benefits reported in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O) Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

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 be enactment of a Statute. The New York State TRS issued a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information 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 Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

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 (NYSRSSL). 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 be 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.

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 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier IV vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS	TRS
2022-2023	$ 522,901	$ 1,225,800
2021-2022	$ 660,740	$ 1,152,125
2020-2021	$ 633,626	$ 1,072,958

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 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
Actuarial valuation date	April 1, 2022	June 30, 2021
Net pension (asset)/liability	$ 2,880,834	$ 1,268,438
District's portion of the Plan's total net pension (asset)/liability	0.0134342%	0.0661030%

For the year ended June 30, 2023, the District recognized its proportionate share of pension expense of $1,007,008 for ERS and the actuarial value $1,147,606 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions form the following sources:

	Deferred Outflows of Resource		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Difference between expected and actual experience	$ 306,831	$ 1,329,162	$ 80,905	$ 25,417
Changes of assumptions	1,399,119	2,460,555	15,463	510,963
Net difference between projected and actual earnings on pension plan investments	-	1,638,942	16,925	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	92,566	135,018	51,991	122,165
District's contributions subsequent to the measurement date	148,503	2,329,072	-	-
Total	$ 1,947,019	$ 7,892,749	$ 165,284	$ 658,545

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2024 for ERS and June 30, 2023 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	NYSERS	NYSTRS
Year ended:		
2024	$ 402,492	$ 965,992
2025	(147,483)	499,578
2026	586,866	(201,413)
2027	791,359	3,227,996
2028	-	6,241
Thereafter	-	406,738

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 asset/(liability) to the measurement date. The actuarial valuation used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Interest rate	5.90%	6.95%
Salary scale	4.40%	1.95-5.18%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
Projected cost of living adjustments	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on 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, 2022 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, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

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

	Target Allocation	Long-term expected Real rate of return*
ERS		
Asset class:		
Domestic equities	32%	4.30%
International equities	15%	6.85%
Private equities	10%	7.50%
Real estate equities	9%	4.60%
Opportunistic/ARS portfolio	3%	5.38%
Real assets	3%	5.84%
Fixed income	23%	1.50%
Cash	1%	0.00%
Credit	4%	5.43%
Total	100%	

*Real rates of return are net of the long-term inflation assumption of 2.5%.

	Target Allocation	Long-term expected Real rate of return*
TRS		
Asset class:		
Domestic equities	33%	6.50%
International equities	16%	7.20%
Global equities	4%	6.90%
Private equities	8%	9.90%
Real estate equities	11%	6.20%
Domestic fixed income securities	16%	1.10%
Global bonds	2%	0.60%
Private debt	2%	5.30%
Real estate debt	6%	2.40%
Cash equivalents	1%	-0.30%
High-yield bonds	1%	3.30%
Total	100%	

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

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

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 as of June 30, 2023 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 (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension (asset)/liability	$ 6,961,741	$ 2,880,834	$ (529,238)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension (asset)/liability	$ 11,695,591	$ 1,268,438	$ (7,500,730)

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to $148,503.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 amounted to $1,337,070.

P) Unearned Credits

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

Q) 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 rated 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.

R) Other benefits:

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

S) 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. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State Law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

T) Accrued liabilities and long-term obligations:

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

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

U) Equity classifications:

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) 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 is deemed to be available for general use by the District.

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

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes inventory recorded in the School Food Service Fund of $42,365 and $46,363 in prepaid expense in the General Fund.

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. The District has established the following restricted fund balances:

Unemployment Insurance Payment Reserve Fund
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.

Liability Claims and Property Loss Reserve Funds
According to Education Law §1709(8), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population under 125,000. This reserve is accounted for in the General Fund.

Retirement Contributions Reserve Fund
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. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, 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.

Debt Service Reserve Fund
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 District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Capital Reserve Fund
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. Expenditures 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.

Encumbrances
Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Workers' Compensation Reserve Fund
According to General Municipal Law §6-j, all expenditures made from the worker's compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. 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. This reserve is accounted for in the General Fund.

Restricted fund balance includes the following:

General Fund:	
Unemployment insurance	$ 70,238
Workers' compensation	550,311
Property loss	50,059
Liability	50,504
Retirement contributions	1,631,087
Capital reserve	1,200,000
Miscellaneous Special Revenue Fund	245,635
Debt Service Fund	79,746
	$ 3,877,580

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, 2023.

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 $82,906. Appropriated fund balance in the General Fund amounted to $1,500,000. Any remaining fund balance in other funds is considered assigned. The school food service fund also reports assigned fund balance of $250,525. As of June 30, 2023, the District's General Fund encumbrances were classified as follows:

General support	$ 36,489
Instruction	46,150
Pupil transportation	267
Total	$ 82,906

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. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, 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. Non-spendable 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.

Net Position/Fund Balance
Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for expenditures incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order: committed, assigned, and unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

V) Implementation of New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the District implemented the following new standards issued by GASB.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 98, *The Annual Comprehensive Financial Report*, effective for the year ended June 30, 2023.

GSB has issued Statement No. 99, *Omnibus 2022*, effective for the year ended June 30, 2023.

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's 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.

A) Total fund balances of governmental funds vs. net position of governmental activities:

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

B) 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:

i) 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.

ii) Capital related differences:

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

iii) 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.

iv) 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.

v) OPEB differences:

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

3 - Stewardship, compliance and accountability

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 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. The following supplemental appropriations occurred during the year:

Additional revenue designated for specific uses totaling \$106,362. The voters approved the transfer of \$1,000,000 from the Capital Reserve to the Capital Fund for a capital project.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2023.

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

Encumbrances
Encumbrances 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.

The Capital Projects Fund has a deficit fund balance of $1,685,262. This will be funded when the District receives transportation aid for purchased buses.

4 – Cash (and cash equivalents) – custodial credit, concentration of credits, interest rate, and foreign currency risks

Cash

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

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$5,466,976

Restricted cash and investments represent cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $3,552,199 restricted for various fund balance reserves in the general fund, $1,035,553 restricted for the voter approved capital project in the capital projects fund, $246,414 restricted for extraclassroom and scholarships in the miscellaneous special revenue fund and $6,937,874 restricted for other employee benefits trust in the fiduciary fund.

Deposits

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, 2023 all deposits were fully insured or collateralized.

Investment and Deposit Policy

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.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

Investment Pool

The District participates in the Cooperative Liquid Assets Security System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11.

Total investments of the cooperative at June 30, 2023 are $8,463,692,945 which consisted of $2,530,081,947 in repurchase agreements, $4,872,964,328 in U.S. Treasury Securities, and $1,060,646,670 in collateralized bank deposits, with various interest rate and due dates.

The amount of $10,184,866 on deposit with NYCLASS is included as cash in the financial statements.

The above amounts represent the fair value of the investment pool shares. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

The following amounts are included as unrestricted and restricted cash:

Fund	Balance
General	$ 3,086,581
Capital Projects	$ 1,035,216
Fiduciary	$ 6,063,069

5 – Receivables

Receivables at year-end for individual major funds, including the applicable allowances for uncollected accounts, are as follows:

	Governmental Activities				
Description	General	Special Aid	School Food Service	Capital Projects	Total
Accounts receivable	$ 85,099	$ -	$ -	$ -	$ 85,099
State and federal aid	1,140,013	1,963,594	48,771	304,983	3,457,361
	$ 1,225,112	$ 1,963,594	$ 48,771	$ 304,983	$ 3,542,460

District management has deemed the amounts to be fully collectible.

6 – Capital assets

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions/ Adjustments	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 345,900	$ -	$ -	$ 345,900
Construction in progress	-	574,808	-	574,808
Total nondepreciable assets	345,900	574,808	-	920,708
Capital asssets that are depreciated:				
Buildings	82,283,568	100,000	-	82,383,568
Furniture, vehicles and equipment	9,936,244	975,283	(869,302)	10,042,225
Total depreciable assets	92,219,812	1,075,283	(869,302)	92,425,793
Less accumulated depreciation:				
Buildings	33,711,765	1,636,562	-	35,348,327
Furniture, vehicles and equipment	5,169,822	929,443	(864,093)	5,235,172
Total accumulated depreciation	38,881,587	2,566,005	(864,093)	40,583,499
Total depreciated assets, net	53,338,225	(1,490,722)	(5,209)	51,842,294
Capital assets, net	$ 53,684,125	$ (915,914)	$ (5,209)	$ 52,763,002
Depreciation expense was charged to governmental functions as follows:				
General support		$ 220,354		
Instruction		1,615,148		
Pupil transportation		703,036		
School food service		27,467		
		$ 2,566,005		

7 – Right-to-use assets

The District is in possession of assets for which it paid for the right to use the assets over a period of time. The present value of the lease is amortized over the term of the lease using the straight-line method. The right-to-use assets, net is summarized as follows:

Cost	Prior Amortization	Current Amortization	Total Amortization	Net
$ 1,717,107	$ 831,165	$ 248,238	$ 1,079,403	$637,704

Payments for the right-to-use assets are payable over the term of the leases. The amount payable is recorded as a liability. Lease liability at June 30, 2023 was $559,975. Principal payments are due as follows:

	Principal	Interest	Total
2024	$ 213,361	$ 13,499	$226,860
2025	199,184	8,106	207,290
2026	117,164	3,519	120,683
2027	30,266	471	30,737
	$ 559,975	$ 25,595	$585,570

8 – Short-term debt

Transactions in short-term debt for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN maturing 2/10/2023 at .79%	$ 2,308,800	$ -	$ 2,308,800	$ -
BAN maturing 6/28/2023 at 2.85%	7,315,000	-	7,315,000	-
BAN maturing 2/09/2024 at 4.00%	-	2,211,400	-	2,211,400
	$ 9,623,800	$ 2,211,400	$ 9,623,800	$ 2,211,400

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

Interest paid	$ 226,717
Less interest accrued in the prior year	(8,138)
Plus BAN premium	10,194
Plus interest accrued in the current year	33,435
Total expense	$ 262,208

9 – Long-term 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.

South Jefferson Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. 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.

Noncurrent liability balances and activity are as follows:

Government activities:	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Amounts due within one year
Bonds and notes payable:					
Serial bonds at 5%, Issued June 15, 2023 Final payment due 6/15/2036	$ -	$ 5,700,000	$ -	$ 5,700,000	$ 480,000
Serial bonds at 1% - 2.25%, Issued June 18, 2015 Final payment due 6/15/2025	1,480,000	-	480,000	1,000,000	495,000
Serial bonds at 4%, Issued March 21, 2022 Final payment due 4/15/2032	5,110,000	-	2,530,000	2,580,000	1,170,000
Serial bonds at 2% - 2.25%, Issued July 28, 2016 Final payment due 6/15/2031	900,000	-	90,000	810,000	95,000
Premium on bonds	251,911	765,520	28,291	989,140	84,723
Deferred amount on refunding	(166,656)	-	(17,093)	(149,563)	(17,093)
Total bonds payable	$ 7,575,255	$ 6,465,520	$ 3,111,198	$ 10,929,577	$ 2,307,630
Other liabilities					
Lease liabilities	$ 576,226	$ 225,090	$ 241,341	$ 559,975	$ 213,361
Compensated absences payable	202,921	15,157	-	218,078	-
Other postemployment benefits payable	150,454,069	-	24,511,492	125,942,577	-
Net pension liability - proportionate share	-	4,149,272	-	4,149,272	-
Total other long-term liabilities	151,233,216	4,389,519	24,752,833	130,869,902	213,361
	$ 158,808,471	$ 10,855,039	$ 27,864,031	$ 141,799,479	$ 2,520,991

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

The following is a summary of debt service requirements for bonds payable:

	Principal	Interest	Premium/ Deferred Charges on Refunding	Total
Fiscal year ended June 30,				
2024	$ 2,240,000	$ 511,010	$ 67,630	$ 2,818,640
2025	2,185,000	343,875	67,630	2,596,505
2026	500,000	263,613	67,630	831,243
2027	525,000	241,712	67,630	834,342
2028	550,000	218,713	67,630	836,343
2029-2033	2,860,000	710,475	327,222	3,897,697
2034-2036	1,230,000	99,000	174,205	1,503,205
Totals	$ 10,090,000	$ 2,388,398	$ 839,577	$ 13,317,975

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

Interest paid	$ 254,694
Plus Bond issuance fees	150,520
Less interest accrued in the prior year	(75,037)
Amortization of bond premium/deferred charges on refunding	(11,198)
Plus interest accrued in the current year	34,740
Total expense	$ 353,719

Defeased Debt

On April 15, 2022, the School District issued $5,170,000 in general obligation bonds with an interest rate of 4.0% to advance refund $5,255,000 of outstanding serial bonds issued in 2012 and 2014 with an average interest rate of 1.0% to 5.0%. The District received a premium of $258,370 when the bonds were issued. The net proceeds of $5,345,692 (after payment of $82,678 in underwriting fees, insurance, and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, a portion of the 2012 and 2014 serial bonds are considered to be defeased, and the liability for those bonds has been removed from the School District's financial statements. At June 30, 2023, the balance of the advance refunded bonds was $2,680,000. The economic gain (loss) on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately $80,781. The aggregate budgetary savings will be $90,338.

The deferred gain on the advance refunding of the 2012 and 2014 Series Bonds will be amortized on the district-wide financial statements using the straight-line method over ten years, the remaining time to maturity of the refunded bonds. Amortization in the amount of \$17,093 was recorded for the year ending June 30, 2023.

10 – Interfund transactions – governmental funds

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General	\$ 2,818,587	\$ -	\$ -	\$ 4,494,311
Special Aid	-	1,948,614	33,511	-
School Food Service	-	197,527	6,106	-
Debt Service	79,746	-	3,354,694	615,000
Capital Projects	-	753,148	1,715,000	-
Miscellaneous Special Revenue	956	-	-	-
Total Governmental Funds	\$ 2,899,289	\$ 2,899,289	\$ 5,109,311	\$ 5,109,311

The District typically transfers from the General Fund to the Special Aid Fund, to cover the local share of programs and from the General Fund to the Debt Service Fund to pay long term debt payments.

The District made a transfer of \$6,106 from the General Fund to the School Food Service Fund. This amount was to fund an anticipated deficit.

The District made a transfer from the General Fund to the Capital Fund to finance a \$100,000 capital project and the voters approved a \$1,000,000 transfer from the Capital Reserve. The District also made a transfer from the Debt Service Fund to the Capital Fund to be used for a payment on a Bond Anticipation Note.

11 – Postemployment Benefits Obligation Payable

Plan Description

The District administers a defined benefit OPEB plan that provides for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which 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 GASB Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 10 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2023 approximately $3,380,965 was paid on behalf of 222 retirees.

Benefits Provided

The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	222
Active plan members	280
Total plan members	502

Net OPEB Liability

The District's total OPEB liability of $125,942,577 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% (Based on CPI)
Salary Increases	3.0%
Discount Rate	3.77% (Average of Bond-Buyer - 20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, and Fidelity GA AA 20 years)
Healthcare Cost Trend Rates	7.00%, decreasing to an ultimate rate of 4.50% for 2034 and later.
Retirees' Share of Benefit-Related Costs	0% to 100% of projected health insurance premiums for retirees.

Mortality rates were based on the Society of Actuaries Pub -2010 Public Retirement Plans Healthy Male and Female Total Data Set Headcount – Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Retirement participation rate assumed that 85% of eligible Teachers and Instructional Administrators and 75% of participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 48% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate is based on an average of three 20-year bond indices as of June 30, 2022.

Changes in the Total OPEB Liability

Changes in the District's net OPEB liability were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)
Balance at June 30, 2022	$150,454,069	$ -	$150,454,069
Changes for the year:			
Service cost	2,528,889	-	2,528,889
Interest	5,601,409	-	5,601,409
Contributions - employer	-	3,751,180	(3,751,180)
Changes of assumptions or other inputs	(28,890,610)	-	(28,890,610)
Benefit payments	(3,751,180)	(3,751,180)	-
Net changes	(24,511,492)	-	(24,511,492)
Balance at June 30, 2023	$125,942,577	$ -	$125,942,577

Changes of benefit terms reflect changes in assumptions and other inputs including a change in the discount rate from 2.09% in 2022 to a 3.77% in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the District's 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 (2.77%) or 1 percentage point higher (4.77%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 149,378,622	$ 125,942,577	$ 107,531,734

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 costs trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Disount Rate	1% Increase
Total OPEB Liability	$ 106,253,716	$ 125,942,577	$ 151,626,228

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

For the year ended June 30, 2023, the District recognized OPEB expense of $(24,511,492). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 931,403	$ -
Changes of assumptions	33,253,542	26,914,135
Contributions subsequent to the measurement period	3,767,589	-
Total	$ 37,952,534	$ 26,914,135

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

For the year ended:	
2024	$ 4,497,578
2025	4,702,418
2026	5,658,095
2027	2,057,779
2028	(2,546,549)
Thereafter	(7,884,352)

12 – Risk Management

General
The District is exposed to various risks of loss relative 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.

Consortiums and Self-Insured Plans
The District participates in South Jefferson Central School District Health Plan Trust for its employee health, dental and accident insurance coverage. The trust is operated for the benefit of the District and is considered a self-sustaining risk pool that will provide coverage for its members up to $170,000 per insured event. The pool obtains independent coverage for insured

events in excess of the $170,000 limit, and the District has essentially transferred all related risk to the trust.

The District participates in the Black River Valley Schools Workers' Compensation Plan, a risk-sharing pool, to insure 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's share of the liability for unbilled and open claims is $0.

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.

14 – Tax abatements

The County of Jefferson entered into a property tax abatement program for the purpose of economic development. The School District property tax revenue was reduced by $303,734. The District received Payment in Lieu of Tax (PILOT) payment totaling $48,921.

15 – Prior Period Adjustments

Prior period adjustments have been made to adjust the beginning net position. One adjustment resulted from the liability shown in the prior year's ERS liability under Chapter 57, Laws of 2010 Amortization Payment, had been paid and the balance at June 30, 2022 was $0. Another adjustment resulted in an incorrect balance for right-of-use assets because incorrect lease terms were used for computation of amortization. A third adjustment resulted from land issuance costs being recorded as a financing use of funds to be amortized when the entire amount should have been expensed. There was also an expense and account payable that were incorrectly recorded in the Capital Fund.

	Net Position
Beginning balance as originally stated, 6/30/22	$ (88,808,180)
ERS liability paid in prior years	187,500
Correction of right-of-use assets amortization	(237,902)
Correction of bond issuance costs balance	(80,611)
Reversal of prior years' incorrect expense	8,171
	$ (88,931,022)

16 – Subsequent Events

Management has evaluated subsequent events through October 16, 2023, the date on which the financial statements were available to be issued.

South Jefferson Central School District
Required Supplementary Information
Schedule of Funding Progress
Other Post Employment Benefits Plan
June 30, 2023

Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service cost	$ 2,528,889	$ 3,786,581	$ 3,251,977	$ 2,616,568	$ 2,372,352	$ 2,763,397
Interest	5,601,409	2,830,148	2,210,543	2,523,909	2,794,911	2,455,885
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	-	-	3,477,603	-
Changes of assumptions or other inputs	(28,890,610)	9,902,846	42,199,602	7,724,476	(1,984,525)	(8,180,446)
Benefit payments	(3,751,180)	(2,958,582)	(2,730,170)	(2,566,213)	(2,268,700)	(2,220,712)
Net change in total OPEB liability	(25,511,492)	13,560,993	44,931,952	10,298,740	4,391,641	(5,181,876)
Total OPEB liability - beginning	150,454,069	136,893,076	91,961,124	81,662,384	77,270,743	82,452,619
Total OPEB liability - ending	$ 125,942,577	$ 150,454,069	$ 136,893,076	$ 91,961,124	$ 81,662,384	$ 77,270,743
Covered payroll	$ 14,471,114	$ 12,504,448	$ 12,504,448	$ 15,859,062	$ 15,859,062	15,490,742
Total OPEB liability as a percentage of covered payroll	870.30%	1203.20%	1094.76%	579.86%	514.93%	498.82%

Note: The District does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

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 auditors' report.

South Jefferson Central School District
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget And Actual - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
Revenues				
Local Sources				
Real property taxes	$ 8,390,000	$ 8,390,000	$ 7,505,399	$ (884,601)
Other tax items	53,500	53,500	946,791	893,291
Charges for services	29,000	130,862	179,242	48,380
Use of money and property	2,500	2,500	162,097	159,597
Sale of property and compensation for loss	-	-	44,676	44,676
Miscellaneous	161,500	166,000	271,696	105,696
Total Local Sources	8,636,500	8,742,862	9,109,901	367,039
State sources	28,547,479	28,547,479	28,906,979	359,500
Federal sources	-	-	63,402	63,402
Total Revenues	37,183,979	37,290,341	38,080,282	789,941
Other Financing Sources				
Lease proceeds	-	-	225,090	225,090
Total revenues and other sources	$ 37,183,979	$ 37,290,341	$ 38,305,372	$ 1,015,031
Appropriated Fund Balance				
Prior year's surplus	-	1,000,000		
Appropriated reserves	1,900,000	1,900,000		
Prior year's encumbrances	-	131,849		
Total Appropriated Fund Balance	1,900,000	3,031,849		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 39,083,979	$ 40,322,190		

Budget basis of accounting
Budgets are adopted on the modifed accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

South Jefferson Central School District
Required Supplemementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2023

Expenditures	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgeting Actual and Encumbrances
General Support					
Board of education	$ 43,120	$ 43,120	$ 30,012	$ 200	$ 12,908
Central administration	230,443	229,330	212,184	-	17,146
Finance	410,695	408,725	397,382	2,343	9,000
Staff	77,286	83,256	79,232	-	4,024
Central services	2,611,275	2,702,897	2,197,770	33,946	471,181
Special items	573,949	585,949	541,150	-	44,799
Total General Support	3,946,768	4,053,277	3,457,730	36,489	559,058
Instruction					
Instruction, administration and improvement	998,129	1,024,595	851,554	-	173,041
Teaching - regular school	9,570,066	9,486,751	9,004,768	4,996	476,987
Programs for children with handicapping conditions	3,173,584	2,946,660	2,899,524	200	46,936
Occupational education	1,012,100	1,012,100	1,012,100	-	-
Teaching - special school	13,677	78,863	67,872	-	10,991
Instructional media	477,074	493,602	456,259	28,618	8,725
Pupil services	1,489,825	1,526,102	883,473	12,336	630,293
Total Instruction	16,734,455	16,568,673	15,175,550	46,150	1,346,973
Pupil Transportation	2,330,210	2,353,016	1,825,873	267	526,876
Employee Benefits	11,010,175	10,580,504	9,693,250	-	887,254
Debt Service	774,640	2,243,925	2,243,925	-	-
Total Expenditures	34,796,248	35,799,395	32,396,328	82,906	3,320,161
Other Financing Uses					
Transfers to other funds	4,287,731	4,522,795	4,494,311	-	28,484
Total Expenditures and Other Uses	$39,083,979	$40,322,190	$36,890,639	$ 82,906	$ 3,348,645
Net change in fund balances			1,414,733		
Fund balance - beginning			8,506,394		
Fund balance - ending			$ 9,921,127		

See paragraph on supplementary schedules
included in independent auditors' report.

South Jefferson Central School District
Required Supplementary Information
Schedules of District Contributions
NYSTRS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,229,323	$ 1,152,125	$ 1,035,275	$ 1,263,133	$ 1,149,978	$ 1,273,039	$ 1,566,583	$ 1,871,452	$ 1,949,624
Contributions in Relation to the Contractually Required Contribut	1,229,323	1,152,125	1,035,275	1,263,133	1,149,978	1,273,039	1,566,583	1,871,452	1,949,624
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 11,946,777	$ 12,046,421	$ 10,839,287	$11,331,888	$ 11,083,487	$ 11,178,699	$ 11,814,351	$10,695,234	$ 10,675,710
Contributions as a Percentage of Covered-Employee Payroll	10.29%	9.56%	9.55%	11.15%	10.38%	11.39%	13.26%	17.50%	18.26%

Schedules of District Contributions
NYSERS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 522,901	$ 660,740	$ 658,746	$ 528,027	$ 481,103	$ 495,713	$ 530,000	$ 633,478	$ 678,960
Contributions in Relation to the Contractually Required Contribut	522,901	660,740	658,746	528,027	481,103	495,713	530,000	633,478	678,960
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 4,698,256	$ 4,014,538	$ 3,431,573	$ 3,821,275	$ 3,825,624	$ 3,462,308	$ 3,544,472	$ 3,545,219	$ 3,423,773
Contributions as a Percentage of Covered-Employee Payroll	11.13%	16.46%	19.20%	13.82%	12.58%	14.32%	14.95%	17.87%	19.83%

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 auditors' report.

South Jefferson Central School District
Required Supplementary Information
Schedules of District's Proportionate Share of the Net Pension Liability
NYSTRS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2023	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the Net Pension Liability (Asset)	0.0661030%	0.0637730%	0.067141%	0.067890%	0.068043%	0.068200%	0.069310%	0.071070%	0.071200%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 1,268,438	$(11,051,322)	$ 1,855,295	$ (1,763,778)	$ (1,230,402)	$ (518,387)	$ 742,339	$ (7,381,930)	$ (7,939,006)
District's Covered-Employee Payroll	$ 11,946,777	$ 12,046,421	$ 10,839,287	$ 11,331,888	$ 11,083,487	$ 11,178,699	$ 11,814,351	$ 10,695,234	$ 10,695,234
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	10.62%	-91.74%	17.12%	-15.56%	-11.10%	-4.63%	-6.28%	-69.02%	-73.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.60%	113.20%	97.80%	102.20%	101.53%	-100.66%	99.01%	110.46%	93.00%

Schedules of District's Proportionate Share of the Net Pension Liability
NYSERS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2014
District's Proportion of the Net Pension Liability (Asset)	0.0134342%	0.0120726%	0.012317%	0.012278%	0.011556%	0.012105%	0.012409%	0.012886%	0.012362%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 2,880,834	$ (986,885)	$ 12,264	$ 3,251,372	$ 818,763	$ 390,690	$ 1,165,951	$ 2,068,243	$ 417,600
District's Covered-Employee Payroll	$ 4,698,256	$ 4,014,538	$ 3,431,573	$ 3,821,275	$ 3,825,624	$ 3,462,308	$ 3,544,472	$ 3,545,219	$ 3,423,773
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	61.32%	-24.58%	0.36%	85.09%	21.40%	11.28%	32.89%	58.34%	12.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	100.00%

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 auditors' report.

South Jefferson Central School District
Schedule of Change from Adopted Budget to Final Budget
And the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2023

Change from Adopted Budget to Final Budget

Adopted Budget	$	39,083,979
Additions:		
Prior year's encumbrances		131,849
Original budget		39,215,828
Budget revisions:		
Booster Club Donation		4,500
Summer recreation program		101,862
Voter approved transfer from Captial Reserve		1,000,000
Final budget	$	40,322,190

Section 1318 of Real Property Tax Law Limit Calculation

Maximum allowed (4% of 2023-2024 budget of $42,483,308)		$	1,699,332
General Fund Balance Subject to Section 1318 of Real Property Tax Law:			
Unrestricted fund balance:			
Assigned fund balance	1,582,906		
Unassigned fund balance	4,739,659		
Total unrestricted fund balance		$	6,322,565
Less:			
Appropriated fund balance	1,500,000		
Encumbrances included in assigned fund balance	82,906		
Total adjustments			1,582,906
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$	4,739,659
Actual percentage			11.16%

See paragraph on supplementary schedules included in independent auditors' report.

South Jefferson Central School District
Schedule of Project Expenditures -
Capital Projects Fund
For the Year Ended June 30, 2023

			Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Source	Local Sources	Total	Fund Balance June 30, 2023
Buses*	$ 654,791	$ 654,791	$ -	$ 654,791	$ 654,791	$ -	$ -	$ -	$ 756,400	$ 756,400	(2,110,454)
Districtwide Project	8,575,000	8,575,000	8,575,000	-	8,575,000	-	7,575,000	-	1,000,000	$ 8,575,000	-
Smart Schools Bond Act	1,676	1,676	-	1,676	1,676	-	-	1,676	-	1,676	-
Electrical and Capital Outlay	100,000	100,000	-	100,000	100,000	-	-	100,000	-	100,000	-
Clark Building Reconstruction	17,100,000	17,100,000	-	574,808	574,808	16,525,192	-	-	1,000,000	1,000,000	425,192
	$ 26,431,467	$ 26,431,467	$ 8,575,000	$ 1,331,275	$ 9,906,275	$ 16,525,192	$ 7,575,000	$ 101,676	$ 2,756,400	$ 10,433,076	$ (1,685,262)

* Buses are financed by BANs when purchased.
Only current year appropriations are listed.

South Jefferson Central School District
Net Investment in Capital Assets
For the Year Ended June 30, 2023

Capital assets, net		$ 52,763,002
Add:		149,563
Deferred charge on bond refunding		
Deduct:		
Bond anticipation notes	$ 2,211,400	
Short-term portion of bonds payable	2,240,000	
Long-term portion of bonds payable	7,850,000	
Premium on bonds payable	989,140	
		13,290,540
Net Investment in capital assets		$ 39,622,025

See paragraph on supplementary schedules included in independent auditors' report.

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
South Jefferson Central School District
Adams, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Jefferson Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise South Jefferson Central School District's basic financial statements, and have issued our report thereon dated October 16, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Jefferson Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-1.

Purpose of this Report

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

Stackel & Navarra, CPA, PC

Stackel & Navarra, C.P.A., P.C.
Watertown, NY
October 16, 2023

STACKEL & NAVARRA, C.P.A., P.C.
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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education
South Jefferson Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of South Jefferson 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of South Jefferson Central School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Stackel + Navarra, CPA, PC

Watertown, NY
October 16, 2023

South Jefferson School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal/Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	
U.S. Department of Education			
Passed-through NYS Education Department:			
Special Education Cluster:			
IDEA - Part B (Section 619)	84.173	0033230314	$ 12,973
COVID 19- IDEA- Part B (Section 619)	84.173X	5533-22-0314	6,520
IDEA - Part B (Section 611)	84.027	0032230314	435,348
Total Special Education Cluster			454,841
Education Stabilization Fund			
COVID 19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-1155	676,313
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5883-21-1155	98,181
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5882-21-1155	111,248
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-1155	561,068
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-1155	770,612
Total Education Stabilization Fund			2,217,422
Title I - ESEA - Basic Grant	84.010	0021231155	383,121
Title IV Part A - Student Support & Academic Enrichment	84.424	0204231155	27,327
Title IIA - Supporting Effective Instruction	84.367	0147231155	51,415
Total Passed-through NYS Education Department			3,134,126
Total U.S. Department of Education			3,134,126

See notes to Schedule of Expenditures of Federal Awards.

South Jefferson School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal/Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	
U.S. Department of Agriculture			
Passed-through NYS Education Department:			
Child Nutrition Cluster:			
Non-cash assistance (food distribution)			
National School Lunch Program	10.555		102,949
Cash assistance			
National School Lunch Program	10.555		541,651
School Breakfast Program	10.553		110,668
Summer Food Service Program for Children	10.559		47,153
After School Snack Program	10.555		1,868
Cash Assistance Subtotal			701,340
Total Child Nutrition Cluster			804,289
Child Nutrition Equipment Assistance	10.579	0005-22-0062	10,515
Total Passed-through NYS Education Department			814,804
Total U.S. Department of Agriculture			814,804
U.S. Department of Homeland Security			
Passed through NYS Division of Homeland Security			
FEMA Disaster Grants	97.036		63,402
Total U.S. Department of Homeland Security			63,402
Total Federal Awards Expended			$ 4,012,332

See notes to Schedule of Expenditures of Federal Awards.

South Jefferson School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1 – Summary of certain significant accounting policies:

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal* Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as a source of the data presented. The District's policy is to not charge federal award programs with indirect costs. The District has not elected to use the 10% de minimis indirect cost rate.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

2 – Food distribution:

Nonmonetary assistance is recorded in the schedule at the fair market value of the commodities received and disbursed. The District was granted $102,949 of commodities under the National School Lunch Programs.

3 – Scope of Audit:

All federal grants of the District are included in the scope of the single audit.

4 – Subrecipients:

No amounts were provided to subrecipients.

5 – Other disclosures:

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

South Jefferson Central School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued:		Unmodified
Internal control over financial reporting:		
Material weakness (es) identified?	______ yes	X no
Significant deficiency (ies) identified?	______ yes	X none reported
Noncompliance material to financial statements noted?	______ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness (es) identified?	______ yes	X no
Significant deficiency (ies) identified?	______ yes	X none reported
Type of auditor's opinion(s) issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	______ yes	X no

Identification of major programs:

Name of federal program	Assistance Listing
COVID 19 – Elementary/Secondary School Emergency Relief	84.425D
COVID 19- American Rescue Plan- Elementary and Secondary School Emergency Relief	84.425U

Dollar threshold used to distinguish between Type A and Type B Programs		$750,000
Auditee qualified as low risk?	______ yes	X no

Section II - Financial Statements Findings

2023-01: Condition and criteria: Undesignated General Fund balance exceeds the 4% allowed by Section 1318 of the Real Property Tax Law.

Cause: The School District's budget overestimated expenditures.

Effect: The School District is in violation of Section 1318 of the Real Property Tax Law. At June 30, 2023, the School District appropriated $1,500,000 of fund balance for the 2023-2024 fiscal year leaving a balance of $4,739,659 unassigned. The amount left unappropriated is in excess of four percent of the ensuing fiscal year balance by $3,040,327.

Auditors' recommendation: We recommend the School District implement procedures to ensure that the budget is accurate and allows the School District to comply with the fund balance limit.

Corrective Action Planned: The District is aware that it exceeded the four percent limitation. The District is implementing procedures to better track budgetary expenditures throughout the year in order to more accurately predict the year-end fund balance during the budget development process. Another strategy in response to this finding is that the District recently established a Reserve Fund for required contributions to the NYS Teachers Retirement System (NYSTRS). Each year, the District will allocate the maximum allowable contribution to this fund from the unassigned fund balance.

Section III - Federal Award Findings and Questioned Costs

NONE

FORM OF BOND COUNSEL'S OPINION

July 24, 2024

South Jefferson Central School District
Counties of Jefferson, Lewis and Oswego
State of New York

Re: South Jefferson Central School District, Jefferson, Lewis and Oswego Counties, New York
$10,000,000 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $10,000,000 Bond Anticipation Notes, 2024 (referred to herein as the "Notes"), of the South Jefferson Central School District, Jefferson, Lewis and Oswego Counties, State of New York (the "District"). The Notes are dated July 24, 2024 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District in respect of the Notes and a Certificate of Determination dated on or before July 24, 2024 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

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

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

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

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

Very truly yours,

Trespasz Law Offices, LLP