

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

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

*The Notes will NOT be "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.*

**\$1,899,159**



**SKANEATELES CENTRAL SCHOOL DISTRICT  
ONONDAGA AND CAYUGA COUNTIES, NEW YORK**

**GENERAL OBLIGATIONS**

**\$1,899,159 Bond Anticipation Notes, 2025  
(referred to herein as the "Notes")**

**Dated: August 13, 2025**

**Due: August 13, 2026**

The Notes are general obligations of the Skaneateles Central School District, Onondaga and Cayuga Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser, the Notes will be issued in book-entry-only format or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, except for one odd denomination of \$9,159, as may be determined by such successful bidder(s).

Alternatively, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one odd denomination of \$9,159, as may be determined by such successful bidder(s). If the Notes are issued in the name of Cede & Co., payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of WJ Marquardt PLLC, Bond Counsel, Skaneateles, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about August 13, 2025.

**ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com), on July 30, 2025 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 23, 2025

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



# SKANEATELES

## CENTRAL SCHOOL DISTRICT

**ONONDAGA AND CAYUGA COUNTIES, NEW YORK**

### **SCHOOL DISTRICT OFFICIALS**

#### **2025-2026 BOARD OF EDUCATION**

DANIELLE FLECKENSTEIN

President

AMANDA NUGENT

Vice President

GARY CAMPBELL

TIM CHIAVARA

JENNIFER YOUNG

DAN EVANS

KERRY BROGAN

\* \* \* \* \*

ERIC KNUTH

Superintendent of Schools

CONNOR BROWN

School Business Manager

&

School District Clerk

TODD STEINBERG

School District Treasurer

BOND, SCHOENECK & KING PLLC & CAPITAL REGION BOCES

School District Attorneys



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor

## MARQUARDT

— BOND COUNSEL —

WJ MARQUARDT PLLC

Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**of the**  
**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**ONONDAGA AND CAYUGA COUNTIES, NEW YORK**  
**Relating To**  
**\$1,899,159 Bond Anticipation Notes, 2025**

This Official Statement, which includes the cover page and appendices, has been prepared by the Skaneateles Central School District, Onondaga and Cayuga Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$1,899,159 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

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

The Notes will be dated August 13, 2025 and will mature August 13, 2026. 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, except for one odd denomination of \$9,159, as determined by the successful bidder(s) 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 bond resolutions adopted by the District’s Board of Education authorizing the purchase of student transport vehicles. The Notes are being issued, along with \$543,000 available funds of the District, to partially redeem and renew the \$1,761,459 bond anticipation notes maturing August 14, 2025 and provide \$680,700 new money for the acquisition of student transport vehicles.

### **BOOK-ENTRY-ONLY SYSTEM**

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

### **Certificated Notes**

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for one odd denomination of \$9,159, as may be determined by successful bidder(s). 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 central upstate New York, primarily in the County of Onondaga, with a lesser portion in the County of Cayuga. The District is situated on Skaneateles Lake, one of the Finger Lakes, with a land area of approximately 76 square miles. The City of Syracuse is approximately 20 miles to the northeast and the City of Auburn is approximately 10 miles to the west.

The Village of Skaneateles is wholly within the District and provides the residents with all commercial and professional services. Employment opportunities are available in the area surrounding the District including the Syracuse and Auburn metropolitan areas. The District is residential and commercial within the Village and agricultural in the outlying areas.

Major highways serving the District include US Route 20 and State highways 41, 41A and 175. Air and rail transportation is available in the Syracuse area. Banking services are provided by the offices of JPMorgan Chase Bank, N.A., Key Bank, N.A., M&T Bank and NY Cooperative Liquid Assets Securities System (Class).

Source: District Officials.

### Population

The current estimated population of the District is 9,102. (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 Counties listed below. The figures set below with respect to such Towns and Counties is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2010</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Skaneateles	\$ 47,154	\$ 57,615	\$ 68,023	\$ 88,640	\$105,000	\$ 148,416
Spafford	37,661	58,061	64,305	77,500	104,519	123,438
Marcellus	27,699	39,946	47,525	73,879	93,594	108,448
Sennett	20,946	38,098	46,130	67,287	109,250	132,105
Owasco	35,017	48,435	58,111	83,929	108,523	118,125
Niles	32,800	36,511	52,998	72,500	83,906	106,250
County of:						
Cayuga	22,595	30,996	36,547	58,761	73,590	85,449
Onondaga	27,037	34,600	41,538	65,929	82,368	98,891
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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



## Five Largest Employers

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

<u>Name</u>	<u>Type</u>	<u>Employees</u> <sup>(1)</sup>
Tessy Plastics Corporation	Plastics	1,000 <sup>(2) (4)</sup>
Baxter	Medical Equipment	1,000 <sup>(5)</sup>
Skaneateles Central School District	Public Education	263 <sup>(3)</sup>
Mirbeau Inn & Spa	Hospitality	51-200 <sup>(5)</sup>
Sherwood Inn Restaurant	Hospitality	10-50 <sup>(5)</sup>

(1) The numbers of employees are estimates and subject to change.

(2) Business Journal News Network estimated number of employees for the Central New York region.

(3) Estimated and does not include substitute teachers.

(4) Located outside the District.

(5) Estimated.

Source: District officials.

## Unemployment Rate Statistics

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

	<u>Annual Average</u>								
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cayuga County	5.0%	5.1%	4.5%	4.1%	7.9%	4.7%	3.4%	3.5%	3.7%
Onondaga County	4.5%	4.7%	4.0%	3.8%	8.4%	4.9%	3.3%	3.3%	3.5%
New York State	4.8%	4.7%	4.1%	3.9%	9.8%	7.0%	4.3%	4.1%	4.3%

	<u>2025 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>
Cayuga County	4.6%	4.9%	4.3%	3.2%	2.9%	N/A	N/A
Onondaga County	3.8%	4.1%	3.6%	2.9%	2.8%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.7%	3.5%	N/A	N/A

Note: Unemployment rates for the months of June and July of 2025 for certain Counties and the State 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

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, School Business Manager, and District Treasurer.

## **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 deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the Districts 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.

The District has adopted its own Investment Policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The Policy prohibits investing through any private entity or brokerage firm and provides for written security agreements and/or custodial agreements with each commercial bank or trust company.

## **Budgetary Procedures**

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or School District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the School District, which includes debt service.

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

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

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

## *Recent Budget Vote Results*

The budget for the 2024-25 was approved by District voters on May 21, 2024 by a vote of 479 to 176. The District's budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.50%, which was within the District's allowable limit of 3.50%.

The budget for the 2025-26 was approved by District voters on May 22, 2025 by a vote of 456 to 188. The District's budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.17%, which was within the District's allowable limit of 2.17%.

## **State Aid**

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 23.52% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

## *Federal aid received by the State*

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

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

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

### *Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 62.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

### *State aid history*

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

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

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

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

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

### *State Aid Litigation*

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

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

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

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

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

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

## State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 35,214,840	\$ 8,506,038	24.15%
2020-2021	34,220,577	6,779,154	19.81
2021-2022	35,140,449	6,777,111	19.28
2022-2023	37,771,040	8,481,135	22.45
2023-2024	39,285,401	8,937,632	22.75
2024-2025 (Budgeted)	38,940,719	8,744,192	22.46
2024-2025 (Unaudited)	40,737,077	9,593,581	23.55
2025-2026 (Budgeted)	40,476,232	9,521,875	23.52

<sup>(1)</sup> General Fund only. Does not include interfund transfers.

Source: Audited financial statements for the 2019-2020 through and including the 2023-2024 fiscal year, unaudited figures for the 2024-2025 fiscal year, and adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited. Unaudited projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom

## District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Waterman School	K-2	409	1967, 2009
State Street Elementary	3-5	702	1949, 2009
Senior High/Middle School	6-12	1,513	1952, 1966, 2009

Source: District officials.

## Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-2021	1,288	2025-2026	1,215
2021-2022	1,264	2026-2027	1,208
2022-2023	1,274	2027-2028	1,227
2023-2024	1,266	2028-2029	1,206
2024-2025	1,218	2029-2030	1,194

Source: District officials.

## Employees

The District employs a total of 254 full-time and 72 part-time employees (including 63 substitutes) with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
160	Skaneateles Teachers Association	June 30, 2027
11	Skaneateles Administrators	June 30, 2026
68	Skaneateles CSEA	June 30, 2028
12	Skaneateles Food Service Association <sup>(1)</sup>	N/A
10	Skaneateles Confidential/Management	N/A
66	Unrepresented <sup>(2)</sup>	N/A

<sup>(1)</sup> Employees may be in both CSEA and the Skaneateles Food Service Association.

<sup>(2)</sup> Not represented by union (includes 63 substitutes).

Source: District officials.

## Status and Financing of Employee Pension Benefits

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

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

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

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

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 358,909	\$ 1,021,762
2020-2021	387,171	1,160,455
2021-2022	357,181	1,258,331
2022-2023	329,749	1,268,886
2023-2024	378,837	1,304,992
2024-2025 (Budgeted)	378,420	1,415,440
2024-2025 (Unaudited)	375,310	1,372,470
2025-2026 (Budgeted)	393,557	1,472,058

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

Source: District records.

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

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

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

<u>State Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

\*Estimated.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve



fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a reserve fund for the purpose of funding the cost of TRS contributions on May 21, 2019 and funded the reserve to the allowable maximum (at that time) with surplus from the 2018-19 fiscal year. The District expects to continue to fund it with surplus.

## **Other Post Employee Benefits**

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

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

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

*GASB 75.* In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The 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 Questar III BOCES to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024.

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

	Balance beginning at June 30:	2022	2023
		\$ 40,258,498	\$ 38,630,314
<u>Changes for the year:</u>			
Service cost		1,238,256	1,210,275
Interest		1,450,081	1,432,700
Differences between expected and actual experience		-	-
Changes in assumptions or other inputs		(3,239,134)	(1,590,412)
Benefit payments		(1,077,387)	(1,187,684)
Net Changes		\$ (1,628,184)	\$ (135,121)
	Balance ending at June 30:	2023	2024
		\$ 38,630,314	\$ 38,495,193

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

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

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

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

## Other Information

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

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

The District is in the process of complying with the procedure for the publication of the estoppel notice with respect to the new money portion Notes as provided in Title 6 of Article 2 of the Local Finance Law. The estoppel period will not expire prior to the sale, but will expire prior to the closing of the Notes.

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, 2024 and is attached hereto as “APPENDIX – D”. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for 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 issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

Source: District officials.

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

The District expects to conclude the fiscal year ending June 30, 2025 with an unappropriated unreserved fund balance of approximately \$5,366,238. Summary unaudited projected information for the General Fund for the period ending June 30, 2025 is as follows:

Projected Revenues:	\$ 40,973,078
Projected Expenditures:	<u>40,505,390</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 431,688</u>
Total Fund Balance at June 30, 2024:	\$ 18,805,532
Total Projected General Fund Balance at June 30, 2025:	\$ 19,237,220

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

#### **New York State Comptroller Report of Examination**

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

There have been no State Comptrollers audits of the District released in the last five years and there are currently no State Comptrollers audits of the District that are currently in progress or pending release.

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

#### **The State Comptroller's Fiscal Stress Monitoring System**

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

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

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

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

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

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

## TAX INFORMATION

### Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Skaneateles	\$ 1,430,828,835	\$ 1,468,883,544	\$ 1,512,832,204	\$ 1,591,545,630	\$ 1,610,651,370
Spafford	266,402,816	267,722,307	268,579,252	270,535,489	573,667,849 <sup>(1)</sup>
Marcellus	7,746,597	9,182,585	9,237,972	9,224,326	9,213,239
Sennett	66,712,991	67,249,158	67,701,496	68,873,848	70,304,304
Owasco	34,077,415	34,517,186	34,556,282	34,324,628	34,037,041
Niles	18,123,624	18,964,085	18,969,541	19,036,483	18,973,790
Total Assessed Values	<u>\$ 1,823,892,278</u>	<u>\$ 1,866,518,865</u>	<u>\$ 1,911,876,747</u>	<u>\$ 1,993,540,404</u>	<u>\$ 2,316,847,593</u>

### State Equalization Rates

Towns of:					
Skaneateles	86.00%	85.00%	75.00%	63.00%	58.00%
Spafford	83.00%	78.00%	65.00%	58.00%	100.00% <sup>(1)</sup>
Marcellus	91.00%	100.00%	94.00%	81.00%	73.00%
Sennett	92.00%	90.00%	78.00%	72.00%	70.00%
Owasco	73.00%	72.00%	63.00%	57.00%	51.00%
Niles	100.00%	100.00%	92.00%	76.00%	65.00%
Total Taxable Full Valuation	<u>\$ 2,130,553,587</u>	<u>\$ 2,222,140,507</u>	<u>\$ 2,602,403,182</u>	<u>\$ 3,185,016,232</u>	<u>\$ 3,559,638,307</u>

<sup>(1)</sup> Significant change due to revaluation.

### Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Skaneateles	\$ 14.30	\$ 14.08	\$ 13.97	\$ 13.86	\$ 13.94
Spafford	14.77	15.34	16.12	15.06	8.09 <sup>(1)</sup>
Marcellus	13.48	11.97	11.15	10.78	11.08
Sennett	13.33	13.30	13.43	12.11	11.55
Owasco	16.80	16.62	16.64	15.32	15.86
Niles	12.26	11.97	11.39	11.49	12.43

<sup>(1)</sup> Significant change due to revaluation.

### Tax Collection Procedure

Tax payments are due September 2<sup>nd</sup>. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 3<sup>rd</sup> to November 2<sup>nd</sup>. From November 3<sup>rd</sup> to November 16<sup>th</sup>, there is a 3% penalty for Cayuga County towns and from November 3<sup>rd</sup> to November 16<sup>th</sup>, there is a 5% penalty for Onondaga County towns. On or about November 15<sup>th</sup>, uncollected taxes are returnable to the County of Cayuga for collection. On or about November 17<sup>th</sup>, uncollected taxes are returnable to the County of Onondaga for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 26,126,489	\$ 26,591,541	\$ 27,272,282	\$ 27,815,003	\$ 28,788,527
Amount Uncollected <sup>(1)</sup>	1,081,744	760,231	987,559	942,802	1,277,958
% Uncollected	4.14%	2.86%	3.62%	3.39%	4.44%

<sup>(1)</sup> See "Tax Collection Procedure" herein.

## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, unaudited estimates for the current fiscal year, and budgeted figures for the 2024-2025 and 2025-2026 fiscal years comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total Real Property Tax &amp; Tax Items</u> <sup>(1)</sup>	<u>Percentage of Total Revenues Consisting of Real Property Tax &amp; Tax Items</u>
2019-2020	\$ 35,214,840	\$ 25,776,955	73.20%
2020-2021	34,220,577	26,376,828	77.08
2021-2022	35,140,449	26,864,063	76.44
2022-2023	37,771,000	27,573,681	73.30
2023-2024	39,285,401	28,108,666	71.55
2024-2025 (Budgeted)	38,940,719	29,090,527	74.70
2024-2025 (Unaudited)	40,737,077	29,094,949	71.42
2025-2026 (Budgeted)	40,476,232	29,660,357	73.28

<sup>(1)</sup> General Fund only. Does not include interfund transfers.

Source: Audited financial statements for the 2019-2020 through and including the 2023-2024 fiscal year, unaudited figures for the 2024-2025 fiscal year, and adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited. Unaudited projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom

## Larger Taxpayers – 2024 Tax Roll for 2024-2025

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
LakeLawn Properties	Res w/Comuse	\$ 34,051,724
Sandy Beach NY LLC	Estate	24,137,931
Niagara Mohawk Power Corp.	Public Utility	20,504,411
Robert J. Congel Rev Trust 2/27/07	Estate	13,275,862
Weitsman, Adam J.	Residential	12,829,741
Brennan, Edward J.	Residential	12,656,207
Cohlan, Jonathan L.	Residential	12,567,242
Tennessee Gas Pipeline Co.	Public Utility	12,385,081
3074 W Lake Rd, LLC	Estate	11,206,897
3406 WLR, LLC	Estate	11,206,897

The ten larger taxpayers listed above have a total estimated full valuation of \$164,821,993, which represents 4.63% of the tax base of the District for the 2024-2025 fiscal year.

None of the larger taxpayers listed above have filed tax certiorari claims.

The District currently has tax certiorari claims with a potential total liability of approximately \$460,570 (not including any potential interest) if cases were settled with the requested amount from the taxpayer.

The District is anticipating additional tax certiorari claims due to reassessments. The additional tax certiorari claim amounts are not available as of the date of this Official Statement. The District has increased its tax certiorari reserve amount to \$724,093 in anticipation of the additional claims.

Source: District Tax Rolls.

## STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. 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 the 2024-2025 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$84,000 of the full value of a home for the 2024-2025 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

The 2019-2020 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 2020-2021 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.

The 2022-2023 State Budget provided \$2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

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

<b><u>Towns of:</u></b>	<b><u>Enhanced Exemption</u></b>	<b><u>Basic Exemption</u></b>	<b><u>Date Certified</u></b>
Skaneateles	\$ 86,100	\$ 30,000	4/10/2025
Spafford	89,080	33,890	4/10/2025
Marcellus	62,850	22,340	4/10/2025
Sennett	60,270	21,000	4/10/2025
Owasco	43,910	15,300	4/10/2025
Niles	59,320	21,860	4/10/2025

\$573,362 of the District’s \$28,788,527 school tax levy for 2024-25 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

Approximately \$550,000 of the District’s \$29,413,411 school tax levy for 2025-26 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

## Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential 85.8%, Commercial 5.6%, Agricultural 2.9% and Other 5.7%.

The estimated total annual property tax bill of an average market value residential property of \$300,000 located in the District is approximately \$6,920 including State, County, Town, Highway, Fire, Library and School District taxes. (Does not include STAR exemption and may vary slightly based on the county and town of the residential property).

## **TAX LEVY LIMITATION LAW**

Chapter 97 of the Laws of 2011 was enacted on June 24, 2011 (“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. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

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

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution 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 may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds 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.

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

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

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

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

The District is in the process of complying with the procedure for the publication of the estoppel notice with respect to the new money portion Notes as provided in Title 6 of Article 2 of the Local Finance Law. The estoppel period will not expire prior to the sale but will expire prior to the closing of the Notes.

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

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



## Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30<sup>th</sup>:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$11,315,000	\$ 9,550,000	\$ 33,950,000	\$ 31,230,000	\$ 28,870,000
Bond Anticipation Notes	<u>30,039,216</u>	<u>32,162,936</u>	<u>1,407,321</u>	<u>18,159,828</u>	<u>20,516,459</u>
Total Debt Outstanding	\$ 41,354,216	\$ 41,712,936	35,357,321	\$ 49,389,828	\$ 49,386,459

## Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 23, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2037	\$ 28,870,000
<u>Bond Anticipation Notes</u>		
Capital Project	June 25, 2026	18,755,000
Purchase of School Buses	August 14, 2025	<u>1,761,459</u> <sup>(1)</sup>
	Total Indebtedness	<u>\$ 49,386,459</u>

<sup>(1)</sup> To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$543,000 available funds of the District.

## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 23, 2025:

Full Valuation of Taxable Real Property .....	\$ 3,559,638,307
Debt Limit – 10% thereof .....	355,963,830

### Inclusions:

Bonds.....	\$ 28,870,000	
Bond Anticipation Notes (BANs):.....	<u>20,516,459</u>	
Total Inclusions prior to issuance of the Notes .....	<u>49,386,459</u>	
Less: BANs being redeemed from appropriations .....	543,000	
Add: New money proceeds of the Notes .....	<u>680,700</u>	
Total Net Inclusions after issuance of the Notes .....		\$ 49,524,159

### Exclusions:

State Building Aid <sup>(1)</sup> .....	\$ 0	
Total Exclusions.....		<u>\$ 0</u>
Total Net Indebtedness .....		<u>\$ 49,524,159</u>
Net Debt-Contracting Margin .....		<u>\$ 306,439,671</u>
The percent of debt contracting power exhausted is .....		13.91%

<sup>(1)</sup> Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 62.9% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

## Bonded Debt Service

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

## **Cash Flow Borrowings**

The District has not found it necessary to issue Tax or Revenue Anticipation Notes in the last five years. The District does not currently anticipate issuing tax anticipation notes or revenue anticipation notes in the foreseeable future.

## **Capital Project Plans**

On November 14, 2017, the voters of the District approved a \$36.5 million capital project for the reconstruction and upgrade of the District's buildings. The project will utilize \$2,250,000 of capital reserves and a private gift of \$110,784. In June of 2023 the District issued serial bonds in the aggregate principal amount of \$29,319,972 through the Dormitory Authority of the State of New York to permanently finance a portion of the 2017 Project.

On December 8, 2020 the District voters approved a capital improvement project in the amount \$21,500,000 for reconstruction and upgrades of the District's buildings. The project will utilize \$2,500,000 from the General Construction Capital Reserve and \$375,000 from the Turf Replacement and Track Resurfacing Capital Reserve and borrowed monies not to exceed the principal amount of \$18,625,000

The District had \$17,625,028 bond anticipation notes outstanding and maturing on June 26, 2025 (the "2024 BAN"). A portion of the 2024 BAN in the amount of \$500,000 is authorized by the Bond Resolution adopted on December 5, 2017 and was redeemed and renewed in full with the proceeds of the \$18,755,000 notes issued June 25, 2025. The \$18,755,000 notes, along with \$370,000 available funds of the District, also partially redeemed and renewed the remaining portion of the outstanding notes, and provided \$1,499,972 new money for the 2020 project.

The District issues bond anticipation notes annually for the purchase of school buses. On May 22, 2025 the District voters approved an authorization to purchase and finance up to four (4) 71-passenger school buses, including necessary furnishings, fixtures and equipment and all other costs incidental thereto, and expend a total sum not to exceed \$680,700. The Notes, along with \$543,000 available funds of the District will partially redeem the outstanding \$1,761,459 bond anticipation notes maturing August 14, 2025 and provide \$680,700 new money for the aforementioned purpose.

The District annually takes on a \$100,000 capital outlay exception project for which funding is included within the annual budget of the District and as long as the proper filings are made to the NY State Education Department the aid is received in the year following the expense.

There are presently no other capital projects authorized and unissued by the School District, nor are any contemplated.

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## Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Cayuga	10/21/2024	\$ 11,660,000 (3)	\$ -	\$ 11,660,000	2.72%	\$ 317,152
Onondaga	10/11/2024	657,064,561 (3)	399,666,273	257,398,288	5.67%	14,594,483
Towns of:						
Skaneateles	5/1/2025	931,594 (3)	720,000	211,594	95.03%	201,078
Spafford	8/18/2023	5,233,411 (3)	4,038,411	1,195,000	69.83%	834,469
Marcellus	11/18/2024	5,283,435 (3)	4,699,055	584,380	1.81%	10,577
Sennett	12/31/2023	- (4)	- (5)	-	20.07%	-
Owasco	12/31/2023	- (4)	- (5)	-	10.73%	-
Niles	12/31/2023	- (4)	- (5)	-	7.49%	-
Village of:						
Skaneateles	5/21/2024	6,378,000 (3)	2,936,000	3,442,000	100.00%	3,442,000
Total:						\$ 19,399,758

- (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 23, 2025:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 49,524,159	\$ 5,501.46	1.39%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	68,923,917	7,656.51	1.91

(a) The current estimated population of the District is 9,002. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is \$3,559,638,307. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.

(d) Estimated net overlapping indebtedness is \$19,399,758. (See "Estimated Overlapping Indebtedness" herein.)

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

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

**No Past Due Debt.** No principal of or interest on School District indebtedness is past due. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

## MARKET AND RISK FACTORS

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District’s financial condition. These factors may have an effect on the market price of the Notes.

The District’s credit rating could be affected by circumstances beyond the District’s control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District’s credit rating could adversely affect the market value of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

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

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 School 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.

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

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

## **TAX MATTERS**

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The School District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

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

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

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of WJ Marquardt PLLC, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as "APPENDIX – E".

WJ Marquardt PLLC, Skaneateles, 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 information in this Official Statement.

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

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

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

## MISCELLANEOUS

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

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

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

WJ Marquardt, PLLC, Skaneateles, 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](http://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: Connor Brown, Business Official, 45 East Elizabeth Street, Skaneateles, New York 13152 Phone (315) 291-2221, Fax (315) 685-0347, Email [connorbrown@skanschools.org](mailto:connorbrown@skanschools.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](http://www.fiscaladvisors.com) and [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com)

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Dated: July 23, 2025**

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

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 14,744,750	\$ 14,902,649	\$ 16,208,735	\$ 16,992,639	\$ 19,837,669
Due from Other Governments	-	-	-	-	-
Investments	-	-	-	-	-
Prepays	-	-	-	8,728	-
Other Receivables	23,671	197,604	107,203	89,690	120,640
Due from Other Funds	80,145	520,970	301,008	268,784	399,379
State and Federal Aid Receivable	764,487	950,408	734,086	2,286,096	946,971
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 15,613,053</u>	<u>\$ 16,571,631</u>	<u>\$ 17,351,032</u>	<u>\$ 19,645,937</u>	<u>\$ 21,304,659</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 496,553	\$ 99,382	\$ 126,807	\$ 161,124	\$ 843,129
Accrued Liabilities	47,702	88,089	56,613	138,407	70,611
Due to Other Funds	1,531	-	-	58,332	1,942
Due to Retirement Systems	1,201,905	1,371,404	1,444,332	1,590,645	1,583,445
Due to Other Governments	-	-	-	-	-
Other Liabilities	2,986	-	-	-	-
Unearned Revenue	-	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>1,750,677</u>	<u>1,558,875</u>	<u>1,627,752</u>	<u>1,948,508</u>	<u>2,499,127</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	8,960,439	9,734,053	9,500,348	10,056,535	10,895,024
Assigned	855,025	1,143,600	1,062,421	2,131,760	2,416,691
Unassigned	4,046,912	4,135,103	5,160,511	5,509,134	5,493,817
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUND EQUITY	<u>13,862,376</u>	<u>15,012,756</u>	<u>15,723,280</u>	<u>17,697,429</u>	<u>18,805,532</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 15,613,053</u>	<u>\$ 16,571,631</u>	<u>\$ 17,351,032</u>	<u>\$ 19,645,937</u>	<u>\$ 21,304,659</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 25,139,978	\$ 25,776,955	\$ 26,376,828	\$ 26,818,911	\$ 27,523,310
Nonproperty Tax Items	43,342	48,975	39,063	45,151	50,371
Charges for Services	183,402	154,197	110,284	135,765	150,675
Use of Money & Property	344,437	261,678	118,726	128,405	858,543
Sale of Property and Compensation for Loss	52,181	76,081	70,779	136,694	138,503
Refund of Prior Year Expenses	-	-	-	-	463,646
Miscellaneous	865,803	350,309	609,633	14,518	69,652
Revenues from State Sources	7,808,259	8,506,038	6,779,154	6,777,111	8,481,135
Revenues from Federal Sources	43,541	40,607	116,110	39,767	35,205
Total Revenues	<u>\$ 34,480,943</u>	<u>\$ 35,214,840</u>	<u>\$ 34,220,577</u>	<u>\$ 34,096,322</u>	<u>\$ 37,771,040</u>
Other Sources:					
Operating Transfers In	50,000	-	-	1,044,127	433,215
Total Revenues and Other Sources	<u>34,530,943</u>	<u>35,214,840</u>	<u>34,220,577</u>	<u>35,140,449</u>	<u>38,204,255</u>
<u>EXPENDITURES</u>					
General Support	\$ 3,783,533	\$ 4,012,134	\$ 3,018,244	\$ 3,969,210	\$ 2,563,684
Instruction	16,136,498	15,930,152	16,543,308	17,350,192	18,415,458
Pupil Transportation	1,357,210	1,158,962	1,246,473	1,472,405	1,533,602
Community Services	-	-	-	-	-
Capital Outlay	-	-	-	-	2,017,134
Employee Benefits	5,918,702	5,549,183	5,430,894	5,964,597	6,363,979
Debt Service	4,789,602	5,199,711	4,299,945	5,065,879	5,110,551
Total Expenditures	<u>\$ 31,985,545</u>	<u>\$ 31,850,142</u>	<u>\$ 30,538,864</u>	<u>\$ 33,822,283</u>	<u>\$ 36,004,408</u>
Other Uses:					
Operating Transfers (Out)	211,318	114,949	3,031,316	226,663	225,698
Total Expenditures and Other Uses	<u>32,196,863</u>	<u>31,965,091</u>	<u>33,570,180</u>	<u>34,048,946</u>	<u>36,230,106</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,334,080</u>	<u>3,249,749</u>	<u>650,397</u>	<u>1,091,503</u>	<u>1,974,149</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	8,278,547	10,612,627	14,362,359 <sup>(1)</sup>	14,631,777 <sup>(2)</sup>	15,723,280
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 10,612,627</u>	<u>\$ 13,862,376</u>	<u>\$ 15,012,756</u>	<u>\$ 15,723,280</u>	<u>\$ 17,697,429</u>

<sup>(1)</sup> The beginning balance for the 2020-2021 fiscal year differs from the ending balance of the 2019-2020 fiscal year due to a reclassification of funds due to the implementation of GASB-84.

<sup>(2)</sup> The beginning balance for the 2021-2022 fiscal year differs from the ending balance of the 2020-2021 fiscal year due to a reclassification of funds due to the implementation of GASB-84.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:	2024			2025	2026
	Original Budget	Amended Budget	Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 27,815,002	\$ 28,069,014	\$ 28,054,472	\$ 28,788,527	\$ 29,413,411
Nonproperty Taxes	299,012	45,000	54,194	302,000	246,946
Charges for Services	359,894	118,000	167,814	640,000	660,000
Use of Money & Property	-	241,894	1,234,375	-	-
Sale of Property and Compensation for Loss	430,000	141,500	149,104	426,000	594,000
Refund of prior year expenses	-	-	573,461	-	-
Miscellaneous	9,000	297,500	-	10,000	10,000
Revenues from State Sources	8,804,708	8,804,708	8,937,632	8,744,192	9,521,875
Revenues from Federal Sources	30,000	30,000	102,667	30,000	30,000
Total Revenues	\$ 37,747,616	\$ 37,747,616	\$ 39,273,719	\$ 38,940,719	\$ 40,476,232
Other Sources:					
Operating Transfers (In)	11,681	11,681	11,681	7,551	4,932
Prior Year Encumbrances	50,000	-	-	75,000	325,000
Appropriated Fund Balance	1,737,318	1,787,318	-	1,947,185	2,425,000
Total Revenues and Other Sources	39,546,615	39,546,615	39,285,400	40,970,455	43,231,164
<b>EXPENDITURES</b>					
General Support	\$ 5,401,793	\$ 5,527,562	\$ 4,850,810	\$ 5,363,987	\$ 5,437,090
Instruction	20,410,636	20,599,287	19,399,575	20,886,079	22,184,278
Pupil Transportation	1,604,565	1,604,565	1,705,204	1,641,212	1,690,825
Community Service	-	-	-	-	-
Capital Outlay	-	-	432,522	-	-
Employee Benefits	5,160,770	6,736,853	6,393,881	6,858,362	7,227,179
Debt Service	6,736,853	5,160,770	5,168,919	5,988,815	6,463,792
Total Expenditures	\$ 39,314,617	\$ 39,629,037	\$ 37,950,911	\$ 40,738,455	\$ 43,003,164
Other Uses:					
Operating Transfers (Out)	232,000	232,000	226,386	232,000	228,000
Total Expenditures and Other Uses	39,546,615	39,861,037	38,177,297	40,970,455	43,231,164
Excess (Deficit) Revenues Over Expenditures	-	(314,422)	1,108,103	-	-
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	-	314,422	17,697,429	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 18,805,532	\$ -	\$ -

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

**APPENDIX - B**  
**Skaneateles CSD**

**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 2,385,000	\$ 1,333,675.00	\$ 3,718,675.00
2027	2,240,000	1,231,675.00	3,471,675.00
2028	2,345,000	1,134,643.75	3,479,643.75
2029	2,435,000	1,032,043.75	3,467,043.75
2030	2,530,000	923,993.75	3,453,993.75
2031	2,645,000	811,593.75	3,456,593.75
2032	2,545,000	693,943.75	3,238,943.75
2033	2,665,000	576,781.25	3,241,781.25
2034	2,215,000	454,000.00	2,669,000.00
2035	2,300,000	343,250.00	2,643,250.00
2036	2,380,000	228,250.00	2,608,250.00
2037	2,185,000	109,250.00	2,294,250.00
TOTALS	\$ 28,870,000	\$ 8,873,100.00	\$ 37,743,100.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014			2017		
	Advance Refunding			Construction/Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 235,000	\$ 9,400	\$ 244,400	\$ 220,000	\$ 39,531.25	\$ 259,531.25
2027	-	-	-	225,000	35,131.25	260,131.25
2028	-	-	-	230,000	30,350.00	260,350.00
2029	-	-	-	235,000	24,600.00	259,600.00
2030	-	-	-	240,000	17,550.00	257,550.00
2031	-	-	-	250,000	10,350.00	260,350.00
2032	-	-	-	45,000	2,850.00	47,850.00
2033	-	-	-	50,000	1,500.00	51,500.00
TOTALS	\$ 235,000	\$ 9,400	\$ 244,400	\$ 1,495,000	\$ 161,862.50	\$ 1,656,862.50

  

Fiscal Year Ending June 30th	2018			2023 SeriesC		
	Construction/Reconstruction			DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 415,000	\$ 111,493.75	\$ 526,493.75	\$ 1,515,000	\$ 1,173,250.00	\$ 2,688,250.00
2027	425,000	99,043.75	524,043.75	1,590,000	1,097,500.00	2,687,500.00
2028	445,000	86,293.75	531,293.75	1,670,000	1,018,000.00	2,688,000.00
2029	450,000	72,943.75	522,943.75	1,750,000	934,500.00	2,684,500.00
2030	465,000	59,443.75	524,443.75	1,825,000	847,000.00	2,672,000.00
2031	480,000	45,493.75	525,493.75	1,915,000	755,750.00	2,670,750.00
2032	490,000	31,093.75	521,093.75	2,010,000	660,000.00	2,670,000.00
2033	505,000	15,781.25	520,781.25	2,110,000	559,500.00	2,669,500.00
2034	-	-	-	2,215,000	454,000.00	2,669,000.00
2035	-	-	-	2,300,000	343,250.00	2,643,250.00
2036	-	-	-	2,380,000	228,250.00	2,608,250.00
2037	-	-	-	2,185,000	109,250.00	2,294,250.00
TOTALS	\$ 3,675,000	\$ 521,587.50	\$ 4,196,587.50	\$ 23,465,000	\$ 8,180,250.00	\$ 31,645,250.00

**MATERIAL EVENT NOTICES**

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

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

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

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

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

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

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

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

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

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

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



**SKANEATELES CENTRAL SCHOOL DISTRICT  
ONONDAGA AND CAYUGA COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2024**

**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 Preliminary Official Statement.**



## **SKANEATELES CENTRAL SCHOOL DISTRICT**

### **FINANCIAL STATEMENTS**

**For Year Ended June 30, 2024**

# SKANEATELES CENTRAL SCHOOL DISTRICT

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Skaneateles Central School District, New York

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Skaneateles 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***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Governmental 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 Skaneateles 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 Skaneateles 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, schedule of changes in the District's total OPEB liability and related ratios, schedule of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual - general fund, schedule of district contributions, and the schedule of the District's proportionate share of the net pension liability on pages 4–12 and 53–56 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 Skaneateles Central School District's basic financial statements. The combining and individual nonmajor fund financial statements 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.

The combining and individual nonmajor fund financial statements, the 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, the schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements the 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, the schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024 on our consideration of Skaneateles 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 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 Skaneateles Central School District's internal control over financial reporting and compliance.



Syracuse, New York  
October 8, 2024

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

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The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2024. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

**Financial Highlights**

At the close of the fiscal year, net position increased \$589,333 to \$20,227,423.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balance of \$8,353,509, a decrease of \$9,260,118 in comparison with the prior year. The majority of the decrease is attributable to the ongoing capital project, which had a net decrease of \$10,523,582. This decrease is from the capital expenditures which were financed with a note totaling \$17,000,000 compared to long term obligations which is recognized as other financing sources in funds. When the note is converted to a long term obligation, the proceeds will be recognized as other financing sources and will reduce or eliminate the deficit. Overall, the general fund increased \$1,108,103 compared to the previous year, or 6.3%.

General revenues, which includes Real Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$39,340,812, or 97% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions, accounted for \$1,296,511, or 3% of total revenues.

**Overview of the Financial Statements**

This management discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

*Government-Wide Financial Statements*

The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

*Fund Financial Statements*

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains six individual governmental funds; the General Fund, Special Aid Fund, School Lunch Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund, which are reported as major funds. Data for the special aid fund, the school lunch fund, the special revenue fund and the debt service fund are aggregated into a single column and reported as non-major funds. The financial statements for the governmental funds can be found in the basic financial statement section of this report.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District whereby the fiduciary activities and the relevant reporting is based on whether the District is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs. The District has no fiduciary funds.



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

<b>Major Feature of the District-Wide and Fund Financial Statements</b>			
	<b>Government-Wide Statements</b>	<b>Fund Financial Statements</b>	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Includes four types of fiduciary funds, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position and a statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government- wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

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

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**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all 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 government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration.

Property taxes, federal and state aid, and investment earnings finance most of these activities.

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

**Financial Analysis of the School District as a Whole**

**Net Position**

The District's combined net position was larger on June 30, 2024 than the year before, increasing to \$20,227,423, as shown in the table below.

	Governmental Activities and Total School District		Total Percentage Change
	2024	2023	2023-2024
Current and Other Assets	\$ 29,726,643	\$ 21,484,237	38.36%
Net Pension - proportionate share	-	-	100.00%
Capital Assets	90,430,062	83,646,675	8.11%
<b>Total Assets</b>	<b>120,156,705</b>	<b>105,130,912</b>	<b>14.29%</b>
Deferred Outflow of Resources	7,986,532	11,908,333	-32.93%
Total Assets and Deferred outflow of resources	\$ 128,143,237	\$ 117,039,245	9.49%
Long-Term Obligations	\$ 73,365,909	\$ 76,560,518	-4.17%
Net Pension - proportionate share	2,107,154	3,276,282	100.00%
Other Liabilities	21,373,009	3,879,463	450.93%
<b>Total Liabilities</b>	<b>96,846,072</b>	<b>83,716,263</b>	<b>15.68%</b>
Deferred Inflow of Resources	11,069,742	13,684,892	-19.11%
Net Position:			
Invested in Capital Assets	37,568,474	48,259,354	-22.15%
Retirement Contribution	2,164,192	2,164,192	0.00%
Capital Reserve	5,404,036	5,128,908	5.36%
Other Purposes	3,774,203	3,190,114	18.31%
Unrestricted	(28,683,482)	(39,104,478)	-26.65%
<b>Total Net Position</b>	<b>20,227,423</b>	<b>19,638,090</b>	<b>3.00%</b>
Total Liabilities, Deferred inflow of resources, and Net Position	\$ 128,143,237	\$ 117,039,245	9.49%

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

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**Net Position (continued)**

The District's financial position is the product of many factors.

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and 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 District's current assets and other assets increased \$8,242,406. The increase is primarily due to the increase in cash pertaining to the capital projects fund which increased \$6,447,101 due to the ongoing capital project. During the current fiscal year, the District borrowed \$17,000,000 pertaining to its capital projects (\$16,500,000 – 2020 project and \$500,000 – 2017 project), while having expenditures of \$11,084,013 for these capital projects. The District's restricted capital fund cash was \$7,234,127 and \$787,026, as of June 30, 2024 and 2023, respectively, which primarily reflects the unspent proceeds of the borrowing to be used for the capital project in the upcoming fiscal year.

In addition, the District's unrestricted cash increased \$2,075,431 compared to the previous year. This increase was primarily from the increase in cash in the general fund of \$2,006,541. The increase was from the District's general fund's revenue exceeding expenses by \$1,108,103 and from the net decrease in accounts receivable of \$1,339,125 pertaining to the receipt of prior year receivables related to state and federal funding.

Capital assets, increased net \$6,783,387. The District had capital expenditures of \$11,516,535, with \$10,461,080 pertaining to its ongoing capital project. This increase of \$11,516,535 was offset by ordinary depreciation on capital assets in service of \$2,688,701 and ordinary disposals of capital assets of \$2,044,447, primarily related to disposals of busses totaling \$446,130, district equipment of \$54,244, and \$1,758,874 of disposals pertaining to buildings and improvements due to the ongoing capital project.

Deferred outflow of resources decreased \$3,921,801 with the decreases in other postemployment benefits of \$2,034,868 and pensions of \$1,886,933. The decrease of \$2,034,868 represents the actuarial amortization of assumption changes & inputs, while the pension decrease of \$1,886,933 represents the actuarial amortization of differences between expected and actual experience, changes in assumptions, differences in projected and actual earnings on pension plan investments and changes in the District's proportionate share of its ERS and TRS obligation.

Long-term obligations decreased \$3,194,609. The most significant decrease of \$2,964,893 pertains to the District's repayment of principal on its outstanding long term bonds.

Other liabilities increased \$17,493,546. The District issued new bond anticipation notes totaling \$17,000,000 pertaining to its ongoing capital projects which represents the most significant increase. In addition, the District renewed its previous bond anticipation note, related to purchases of busses totaling \$1,569,828, an increase of \$162,607 over the previous year. The District's other liabilities increased a net \$331,039, primarily due to additional accounts payable as of June 30, 2024 compared to the previous year.

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

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**Net Position (continued)**

Deferred inflow of resources decreased \$2,615,150, with decreases in other postemployment benefits of \$2,910,652 and an increase in inflows related to pensions of \$295,502. The decrease of \$2,910,652 represents the actuarial amortization of demographic gains or losses and assumption changes & inputs.

Overall net position increased \$589,333. There are three restricted net asset balances, reserve funds, student activities and scholarships, grants, other. The reserves established by the District in accordance with New York State General Municipal Law and New York State Education Law. The capital reserves are established based on a vote by taxpayers in the district. Overall reserve funds increased net \$838,489 during the current year. The most significant increase were related to the capital reserve which increased \$275,128, the tax certiorari reserve which increased \$263,525 and the repair reserve which increased \$250,000.

The investment in capital assets, net of related debt decreased \$10,690,880. The increase in spending pertaining to the ongoing capital project, offset by the increase in outstanding bond anticipation notes to finance the capital project represents the primary driver for the decrease. The remaining balance of unrestricted net position is a deficit of \$28,683,482, as a result of the obligation relating to other postemployment benefits (retiree health) and pension obligations.

**Changes in Net Position**

The School District's total revenue (general and program) increased 3.6% to \$40,637,323. State and federal aid (22%) and property taxes (69%) accounted for most of the District's revenue. The remaining (9%) of the revenue comes from operating grants, charges for services, nonproperty taxes, investment earnings, compensation for loss, and miscellaneous revenues. The District had an increase in interest earnings of \$479,415.

The total cost of all the programs and services increased 20.1% to \$40,047,990. The School District's expenses are predominately related to education and caring for the students, or instruction (69%). General support, which included expenses associated with the operation, maintenance and administration of the School District, accounted for 15% of the total costs. Pupil transportation, represents 11% of the total costs.

Instruction increased \$2,146,236. Overall salaries, including materials and supplies for instruction increased \$861,860 or 4.5%. Benefits increased \$622,368 or 13.9% and depreciation on instructional capital assets increased \$662,368 or 42.3%. The increase in depreciation is primarily due to completed capital projects that were placed into service and begun depreciating during the current fiscal year.

Pupil transportation increased \$2,026,590. The majority of the increase was related to \$1,758,874 non-cash adjustment pertaining to accelerating depreciation for capital assets that have been renovated or replaced during the current ongoing capital projects. Ordinary depreciation increased \$23,182. Actual cash expenditures decreased \$355,179 or 17.2%. Other increases include benefits and other transportation costs.

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

**Changes in Net Position (continued)**

The District provides employee benefits, including participation in the Teacher's Retirement System and Other post-employment benefits (OPEB). Total benefits paid on a current basis were \$6,465,142 (49% representing health insurance) an increase of \$37,109 or .5%, however, long-term benefits, including the TRS pension plan and OPEB, increased \$740,851. These long-term benefit changes were primarily based on changes in actuarial assumptions and based on current market conditions at the measurement dates of those long-term benefits. These long-term impacts are not funded on current basis but represent the long-term cost of the District's benefits to employees. See the following table for further analysis of program expenses.

	Governmental Activities and Total School District		Total Percentage Change
	2024	2023	2023-2024
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 491,441	\$ 460,139	6.80%
Operating Grants and Contributions	805,070	1,032,506	-22.03%
	1,296,511	1,492,645	-13.14%
General Revenue:			
Property Taxes	28,054,472	27,523,310	1.93%
Non Property Taxes	54,194	50,371	7.59%
State and Federal Aid	8,989,422	8,525,779	5.44%
Use of Money and Property	1,324,798	878,198	50.85%
Compensation for Loss	149,104	138,503	7.65%
Other General Revenues	768,822	607,456	26.56%
	39,340,812	37,723,617	4.29%
Total Revenues	40,637,323	39,216,262	3.62%
<b>PROGRAM EXPENSES</b>			
General Support	6,035,949	3,659,232	64.95%
Instruction	27,440,811	25,294,575	8.48%
Interest	1,688,954	1,549,449	9.00%
Pupil Transportation	4,371,136	2,344,546	86.44%
School Lunch Program	511,140	486,962	4.97%
Total Program Expenses	40,047,990	33,334,764	20.14%
Total Expenses	40,047,990	33,334,764	20.14%
Increase in Net Position	\$ 589,333	\$ 5,881,498	-89.98%

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

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**Financial Analysis of the School District's Funds**

The short-term financial performance of the District is reflected in its governmental funds. As the District completed the year, its general governmental fund reported a fund balances of \$18,805,532, which is an increase of \$1,108,103 compared to previous year. The general fund is the chief operating fund of the District.

The capital projects fund decreased \$10,523,582. The District's ongoing capital project had capital expenditures of \$11,084,013 which were financed with a new bond anticipation note issuance of \$17,000,000. The capital projects fund does not recognize other financing sources from the issuance of a bond anticipation note as such note is a short-term obligation. Until either long-term financing is obtained or subsequent payments of principal on the note are made, the fund will be in a deficit balance.

**General Fund Budgetary Highlights**

The difference between the original budget of \$39,546,615 and the final revised budget was \$314,442. This change is attributable to carryover encumbrances from the 2022-23 school year. Total expenses and other uses were under budget by \$1,683,740, however \$394,506 represent encumbrances against the budget that will be expensed in the 2024-2025 school year, therefore a net positive variance of \$1,283,624. Overall instruction was under budget by \$941,398 and employee benefits was under budget by \$340,456.

**Capital Asset and Debt Administration**

**Capital Assets**

By the end of the 2023-24 fiscal year, the District had invested \$90,430,062 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The increase in the capital assets is primarily due to the ongoing capital project (project 2023/2024). The change in capital assets, net of accumulated depreciation, is reflected below:

	Governmental Activities and Total School District		Total Percentage Change
	2024	2023	2023-2024
Land	\$ 123,351	\$ 123,351	0.00%
Construction in Progress	12,752,254	2,391,174	433.31%
Buildings and Improvements	102,959,634	104,486,602	-1.46%
Machinery and Equipment	5,236,734	4,813,559	8.79%
Accumulated depreciation	(30,641,911)	(28,168,011)	8.78%
Total	<u>\$ 90,430,062</u>	<u>\$ 83,646,675</u>	<u>8.11%</u>

More detailed information can be found in the notes to the financial statements.

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

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**Long-Term Obligations**

At year-end, the District had \$75,473,063 in general obligation bonds and other long-term obligations as follows:

	Total School District		Total Percentage Change
	2024	2023	2023-2024
Serial Bonds	\$ 34,291,760	\$ 37,256,653	-7.96%
Net Pension - proportionate share	2,107,154	3,276,282	-35.68%
Other Postemployment Benefits	38,495,193	38,630,314	-0.35%
Compensated Absences	578,956	673,551	-14.04%
Total Long-term Liabilities	<u>\$ 75,473,063</u>	<u>\$ 79,836,800</u>	-5.47%

The District's serial bonds decreased \$2,964,893, due to scheduled principal payments on these bonds in 2024. The scheduled principal payments in 2025 are \$2,593,212 on these bonds.

The pension asset/liability represents the proportionate share of the pension asset/liability primarily related to the ERS pension (measured as of 3/31/2024) and the TRS pension asset/liability is measured as of 6/30/23. The District's proportionate share was .0725% (TRS) and .0087% (ERS) as of June 30, 2024, fairly consistent with the previous year. More detailed information can be found in the notes to the financial statements.

**Factors Bearing on the District's Future**

**Property Tax Cap** - During 2011, the Governor signed Chapter 97 of the Laws of 2011, Part A- Property Tax Cap, affecting all local governments and establishing a property tax cap. The tax cap went into effect for the District's 2012-13 budget and under this law the growth in the property tax levy, the total amount to be raised through property taxes charged on the District's taxable assessed value of property, is capped at two percent or the rate of inflation, whichever is less, with some exceptions. The exclusions provided in the formula (pension costs and debt service) can be difficult to forecast and thus, have a dramatic impact on the tax cap limit. For the 2023-2024 year, the District had a tax levy increase of 1.99%, which was within the District's allowable limit of 2.26%.

The District receives financial assistance from New York State. The District received approximately 22% of financial assistance from New York State in the 2023-2024 year. New York State is not constitutionally obligated to maintain or continue financial assistance to the District at present levels. In addition, any delays by New York State in adopting its budget may delay payment of New York State assistance. Any significant adverse change in New York State's financial position may materially impact the District.

**Contacting the School District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following: Skaneateles Central School District Assistant Superintendent for Business Operations, 45 East Elizabeth Street Skaneateles, New York 13152



**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Statement of Net Position**

**June 30, 2024**

**ASSETS**

Cash	
Unrestricted	\$ 9,748,170
Restricted	18,580,435
Receivables	
State and federal aid	1,266,362
Other	121,780
Inventories	9,896
Capital assets, net	90,430,062
Total assets	<u>120,156,705</u>

**DEFERRED OUTFLOW OF RESOURCES**

Other postemployment benefits	1,167,319
Pensions	6,819,213
Total deferred outflow of resources	<u>7,986,532</u>
Total assets and deferred outflow of resources	<u>\$ 128,143,237</u>

**LIABILITIES**

Accounts payable	\$ 912,585
Accrued liabilities	306,979
Due to other governments	172
Due to teachers' retirement system	1,433,750
Due to employees' retirement system	149,695
Notes payable	
Bond anticipation notes	18,569,828
Long-term liabilities	
Due and payable within one year	
Bonds payable	2,593,212
Other postemployment benefits payable	1,187,684
Due and payable after one year	
Bonds payable	31,698,548
Other postemployment benefits payable	37,307,509
Compensated absences payable	578,956
Net pension - proportionate share	2,107,154
Total liabilities	<u>96,846,072</u>

**DEFERRED INFLOW OF RESOURCES**

Other postemployment benefits	9,831,352
Pensions	1,238,390
Total deferred inflow of resources	<u>11,069,742</u>

**NET POSITION**

Investment in capital assets, net of related debt	37,568,474
Restricted - reserve funds	10,895,024
Restricted - student activities	115,257
Restricted - scholarships, grants, other	332,150
Unrestricted (deficit)	<u>(28,683,482)</u>
Total net position	<u>20,227,423</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 128,143,237</u>

See notes to basic financial statements

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Statement of Activities and Changes in Net Position**

**For the Year Ended June 30, 2024**

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants	
<b>FUNCTIONS/PROGRAMS</b>					
General support	\$ (5,081,354)	\$ (954,595)	\$ -	\$ -	\$ (6,035,949)
Instruction	(22,349,634)	(5,091,177)	167,814	673,399	(26,599,598)
Pupil transportation	(4,052,937)	(318,199)	-	-	(4,371,136)
Employee benefits	(6,363,971)	6,363,971	-	-	-
Debt service - interest	(1,688,954)	-	-	-	(1,688,954)
School lunch program	(511,140)	-	323,627	131,671	(55,842)
Total functions and programs	<u>\$ (40,047,990)</u>	<u>\$ -</u>	<u>\$ 491,441</u>	<u>\$ 805,070</u>	<u>(38,751,479)</u>
<b>GENERAL REVENUES</b>					
Real property taxes					28,054,472
Nonproperty taxes					54,194
Use of money and property					1,324,798
Sale of property and compensation for loss					149,104
State sources					8,989,422
Refund of prior years					573,461
Medicaid reimbursement					41,975
Miscellaneous					<u>153,386</u>
Total general revenues					<u>39,340,812</u>
Change in net position					589,333
Total net position - beginning of year					<u>19,638,090</u>
Total net position - end of year					<u>\$ 20,227,423</u>

See notes to basic financial statements

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Balance Sheet - Governmental Funds**

**June 30, 2024**

	General	Capital Projects Fund	Total Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash				
Unrestricted	\$ 9,112,645	\$ -	\$ 635,525	\$ 9,748,170
Restricted	10,725,024	7,234,127	621,284	18,580,435
Receivables				
State and federal aid	946,971	-	319,391	1,266,362
Due from other funds	399,379	1,942	80,553	481,874
Other	120,640	-	1,140	121,780
Inventories	-	-	9,896	9,896
 Total assets	 <u>\$ 21,304,659</u>	 <u>\$ 7,236,069</u>	 <u>\$ 1,667,789</u>	 <u>\$ 30,208,517</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 843,129	\$ 58,361	\$ 11,095	\$ 912,585
Accrued liabilities and deferred revenue	70,611	-	236,368	306,979
Due to other funds	1,942	80,553	399,379	481,874
Due to other governments	-	-	172	172
Bond anticipation note payable	-	18,569,828	-	18,569,828
Due to teachers' retirement system	1,433,750	-	-	1,433,750
Due to employees' retirement system	149,695	-	-	149,695
 Total liabilities	 <u>2,499,127</u>	 <u>18,708,742</u>	 <u>647,014</u>	 <u>21,854,883</u>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Reserved for inventory	-	-	9,896	9,896
<b>Restricted for:</b>				
Reserved for tax certiorari	724,093	-	-	724,093
Reserved for capital reserves	5,404,036	-	-	5,404,036
Reserved for repairs	505,000	-	-	505,000
Reserved for retirement	2,164,192	-	-	2,164,192
Reserved for teacher's retirement contribution	1,348,747	-	-	1,348,747
Reserved for unemployment insurance	170,000	-	-	170,000
Reserved for employee benefits	578,956	-	-	578,956
Scholarships and other	-	-	291,909	291,909
Grants and other	-	-	18,719	18,719
<b>Committed to:</b>				
Extraclassroom activities	-	-	115,257	115,257
Other student activities	-	-	21,522	21,522
<b>Assigned to:</b>				
Assigned appropriated fund balance	2,022,185	-	-	2,022,185
Assigned unappropriated fund balance	394,506	(11,472,673)	563,472	(10,514,695)
<b>Unassigned:</b>				
Unassigned fund balance	5,493,817	-	-	5,493,817
 Total fund balances	 <u>18,805,532</u>	 <u>(11,472,673)</u>	 <u>1,020,775</u>	 <u>8,353,634</u>
 Total liabilities and fund balances	 <u>\$ 21,304,659</u>	 <u>\$ 7,236,069</u>	 <u>\$ 1,667,789</u>	 <u>\$ 30,208,517</u>

See notes to basic financial statements

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Position**

**June 30, 2024**

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash				
Unrestricted	\$ 9,748,170	\$ -	\$ -	\$ 9,748,170
Restricted for reserves	18,580,435	-	-	18,580,435
Receivables				
State and federal aid	1,266,362	-	-	1,266,362
Due from other funds	481,874	-	(481,874)	-
Other	121,780	-	-	121,780
Prepays	-	-	-	-
Inventories	9,896	-	-	9,896
Capital assets, net	-	90,430,062	-	90,430,062
Total assets	<u>30,208,517</u>	<u>90,430,062</u>	<u>(481,874)</u>	<u>120,156,705</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Other postemployment benefits	-	1,167,319	-	1,167,319
Pensions	-	6,819,213	-	6,819,213
Total deferred outflow of resources	<u>-</u>	<u>7,986,532</u>	<u>-</u>	<u>7,986,532</u>
	<u>\$ 30,208,517</u>	<u>\$ 98,416,594</u>	<u>\$ (481,874)</u>	<u>\$ 128,143,237</u>
<b>LIABILITIES</b>				
Payables				
Accounts payable	\$ 912,585	\$ -	\$ -	\$ 912,585
Accrued liabilities	306,979	-	-	306,979
Due to other funds	481,874	-	(481,874)	-
Due to other governments	172	-	-	172
Due to teachers' retirement system	1,433,750	-	-	1,433,750
Due to employees' retirement system	149,695	-	-	149,695
Notes payable				
Bond anticipation	18,569,828	-	-	18,569,828
Long-term debt-due within one year				
Bonds payable	-	2,593,212	-	2,593,212
Other postemployment benefits payable	-	1,187,684	-	1,187,684
Long-term debt-due in more than one year				
Bonds payable	-	31,698,548	-	31,698,548
Other postemployment benefits payable	-	37,307,509	-	37,307,509
Compensated absences	-	578,956	-	578,956
Net Pension - proportionate share	-	2,107,154	-	2,107,154
Total liabilities	<u>21,854,883</u>	<u>75,473,063</u>	<u>(481,874)</u>	<u>96,846,072</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other postemployment benefits	-	9,831,352	-	9,831,352
Pensions	-	1,238,390	-	1,238,390
Total deferred inflow of resources	<u>-</u>	<u>11,069,742</u>	<u>-</u>	<u>11,069,742</u>
<b>FUND BALANCE/NET POSITION</b>				
Total fund balance/net position	<u>8,353,634</u>	<u>11,873,789</u>	<u>-</u>	<u>20,227,423</u>
	<u>\$ 30,208,517</u>	<u>\$ 98,416,594</u>	<u>\$ (481,874)</u>	<u>\$ 128,143,237</u>

See notes to basic financial statements

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds**

**For the Year Ended June 30, 2024**

	General	Capital Projects Fund	Total Other Nonmajor Funds	Governmental Funds
<b>REVENUES</b>				
Real property taxes and other tax items	\$ 28,054,472	\$ -	\$ -	\$ 28,054,472
Nonproperty taxes	54,194	-	-	54,194
Charges for services	167,814	-	-	167,814
Use of money and property	1,234,375	-	90,423	1,324,798
Sale of property and compensation for loss	149,104	-	-	149,104
State sources	8,937,632	-	51,790	8,989,422
Sales	-	-	323,627	323,627
Refund of prior years expenses - BOCES services	491,757	-	-	491,757
Refund of prior years expenses - contracted transportatio	81,704	-	-	81,704
Federal sources - grants	-	-	805,070	805,070
Federal source - Medicaid assistance	41,975	-	-	41,975
Miscellaneous	60,692	-	92,694	153,386
Total revenues	<u>39,273,719</u>	<u>-</u>	<u>1,363,604</u>	<u>40,637,323</u>
<b>EXPENDITURES</b>				
General support	4,850,810	-	72,068	4,922,878
Instruction	19,399,575	-	722,011	20,121,586
Pupil transportation	1,705,204	-	4,862	1,710,066
School food program	-	-	507,387	507,387
Employee benefits	6,393,881	-	71,261	6,465,142
Debt service				
Principal	3,180,431	-	-	3,180,431
Interest	1,988,488	-	-	1,988,488
Capital outlay	432,522	11,084,013	-	11,516,535
Total expenditures	<u>37,950,911</u>	<u>11,084,013</u>	<u>1,377,589</u>	<u>50,412,513</u>
Excess (deficiency) of revenues over expenditures	<u>1,322,808</u>	<u>(11,084,013)</u>	<u>(13,985)</u>	<u>(9,775,190)</u>
<b>OTHER FINANCING SOURCES AND USES</b>				
BANs redeemed from appropriations	-	460,431	-	460,431
General obligation bond proceeds	-	-	-	-
Premium on obligations issued	-	-	54,641	54,641
Interfund transfers - in	11,681	100,000	126,386	238,067
Interfund transfers - out	(226,386)	-	(11,681)	(238,067)
Total other sources (uses)	<u>(214,705)</u>	<u>560,431</u>	<u>169,346</u>	<u>515,072</u>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	1,108,103	(10,523,582)	155,361	(9,260,118)
Fund balance - beginning of year	17,697,429	(949,091)	865,289	17,613,627
Fund balance (deficit) - end of year	<u>\$ 18,805,532</u>	<u>\$ (11,472,673)</u>	<u>\$ 1,020,650</u>	<u>\$ 8,353,509</u>

See notes to basic financial statements

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Reconciliation of Governmental Funds Revenues, Expenditures,  
and Changes in Fund Balance to the Statement of Activities**

**For the Year Ended June 30, 2024**

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
<b>REVENUES</b>					
Real property taxes	\$ 28,054,472	\$ -	\$ -	\$ -	\$ 28,054,472
Nonproperty taxes	54,194	-	-	-	54,194
Charges for services	167,814	-	-	-	167,814
Use of money and property	1,324,798	-	-	-	1,324,798
Sale of property and compensation for loss	149,104	-	-	-	149,104
State sources	8,989,422	-	-	-	8,989,422
Sales - school food programs	323,627	-	-	-	323,627
Refund of prior years expenses - BOCES services	491,757	-	-	-	491,757
Refund of prior years expenses - contracted transportation	81,704	-	-	-	81,704
Federal sources - grants	805,070	-	-	-	805,070
Federal source - Medicaid assistance	41,975	-	-	-	41,975
Miscellaneous	153,386	-	-	-	153,386
Total revenues	40,637,323	-	-	-	40,637,323
<b>EXPENDITURES/EXPENSES</b>					
General support	4,922,878	-	158,476	-	5,081,354
Instruction	20,121,586	-	2,228,048	-	22,349,634
Pupil transportation	1,710,066	-	2,342,871	-	4,052,937
School food programs	507,387	-	3,753	-	511,140
Employee benefits	6,465,142	(101,171)	-	-	6,363,971
Debt service	5,168,919	-	-	(3,425,324)	1,743,595
Capital outlay	11,516,535	-	(11,516,535)	-	-
Total expenditures/expenses	50,412,513	(101,171)	(6,783,387)	(3,425,324)	40,102,631
Excess (deficiency) of revenues over expenditures/expenses	(9,775,190)	101,171	6,783,387	3,425,324	534,692
<b>OTHER FINANCING SOURCES AND USES</b>					
BANs redeemed from appropriations	460,431	-	-	(460,431)	-
Premium on obligations issued	54,641	-	-	-	54,641
Interfund transfers - in	238,067	-	-	-	238,067
Interfund transfers - out	(238,067)	-	-	-	(238,067)
Total other sources (uses)	515,072	-	-	(460,431)	54,641
Net change for the year	\$ (9,260,118)	\$ 101,171	\$ 6,783,387	\$ 2,964,893	\$ 589,333

See notes to basic financial statements

## SKANEATELES CENTRAL SCHOOL DISTRICT

### Notes to the Financial Statement

For the Year Ended June 30, 2024

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#### **Note 1 – Summary of Significant Accounting Policies**

The financial statements of the Skaneateles Central School District, New York (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

##### **A) Reporting Entity**

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. 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 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 review 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 of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held for various student organizations in a special revenue fund.

##### **B) Joint Venture**

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

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

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 school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 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 \$4,052,899 for BOCES administrative and program costs. The District's share of estimated BOCES aid amounted to \$879,795. As of June 30, 2024, \$659,758 of this estimated aid is recorded as a receivable in the General Fund.

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

**C) Basis of Presentation**

**i) Districtwide 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 program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.



**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**ii) Fund Statements**

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

The District reports the following governmental funds:

**a. 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.

Capital Projects Fund - Used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

**b. Non-major Governmental - The other funds which are not considered major are reported as non-major governmental funds as follows:**

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Special Revenue Fund - Used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District's Extra classroom Activities and scholarships are accounted for in a special revenue fund.

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

**c. Fiduciary - 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 are four classes of fiduciary funds available, including (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The District currently has no transactions that meet the requirements to be recorded in fiduciary funds.**

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**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. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial 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.

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

**E) Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period September 4<sup>th</sup> to November 1, 2023.

Uncollected real property taxes are subsequently enforced by the Counties of Cayuga and Onondaga 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.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**G) Interfund Transactions**

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

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

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

**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 Cash Equivalents**

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2024

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**J) Receivables**

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

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

**K) Inventory and Prepaid Items**

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

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

**L) Capital Assets**

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$50,000	Straight-line	15-50 years
Machinery and Equipment	\$5,000	Straight-line	5 - 25 years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2024

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**M) Unearned Revenue**

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

**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 (expenses/expenditure) until then. The District may have four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 third item is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District may have three items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second 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 measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**O) Vested Employee Benefits**

**i) Compensated Absences**

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts.

Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, per contractual provisions.

An accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the contractual pay rates in effect at year-end.

**P) Other Benefits**

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

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees 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 cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457. Eligible District employees may voluntarily elect to make contributions by payroll deduction to the Plans subject to the terms and conditions of the Plans and subject to limits set by the Internal Revenue Code. The District does not make any elective contributions to the Plans, all contributions are from employees. These Plans are considered other employee benefit plans and are not considered fiduciary activities as defined in GASB Cod. 1300, as such the financial activity of the Plans are excluded from these financial statements.

**Q) Short-Term Debt**

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2024

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**R) 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 funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

**S) Equity Classifications**

**i) District-Wide Statements**

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

- a. 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, constructions or improvements of those assets.
- b. 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.

On the Statement of Net Position, the following balances represent the restricted net position:

Description	
Reserve funds	\$ 10,895,024
Scholarships, grants and other	332,150
Extraclassroom Activities	115,257
Restricted Net Position	<u>\$ 11,342,431</u>

- c. 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.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2024

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**ii) Fund Statements**

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

- a. Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory in school lunch totaling \$9,896.
- b. Restricted Fund Balances - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted reserve balances:

Capital Reserve - According to Education Law §3651, 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 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. The Reserve is accounted for in the General Fund under restricted fund balance and is invested in NY CLASS securities. Interest earned on investments accrue to, and become part of, each reserve fund. Year-end balances are as follows:

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year-to- Date Balance</u>
Capital reserve 2020	\$2,500,000	\$2,500,000	\$2,702,018
Capital reserve 2021	\$2,500,000	\$2,500,000	\$2,702,018

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

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



SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2024

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**Note 1 – Summary of Significant Accounting Policies** (continued)

Tax Certiorari Reserve - According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari claims and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount, which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

Retirement Contribution Reserve - 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. 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.

Teachers' Retirement Reserve – General Municipal Law §6r was amended 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 subfund 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.

Restricted reserve fund balances include the following:

General fund:	
Capital	\$ 5,404,036
Employee retirement contribution	2,164,192
Teacher's retirement contribution	1,348,747
Tax certiorari	724,093
Repair	505,000
Unemployment insurance	170,000
Employee benefit accrued liability	578,956
Total restricted reserve funds	<u>\$ 10,895,024</u>

- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The District has balances pertaining to extraclassroom activity funds (ECA) and other student activities classified as committed fund balances as of June 30, 2024.
- d. Assigned Fund Balance – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2024

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**Note 1 – Summary of Significant Accounting Policies** (continued)

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 and the School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year. Management has determined significant encumbrances for the General Fund to be \$394,506.

- e. Unassigned Fund Balance –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 school district and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The District exceeded the 4% limitation as of June 30, 2024.

- f. 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.

**iii) Order of Use of Fund Balance**

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, the remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies** (continued)

**T) New Accounting Standards**

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

GASB has issued Statement No. 99, Omnibus 2022. This statement addresses a variety of topics, including derivative instruments, leases, public-private and public-public partnership arrangements (“PPP’s”), subscription based information technology arrangements (“SBITAs”), London interbank offered rate (“LIBOR”), and pledges of future revenues. Many of the requirements are effective immediately. The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal year ending June 30, 2024.

GASB has issued Statement No. 100, Accounting Changes and Error Corrections. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections (“ACEC”). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made for fiscal year ending June 30, 2024.

**U) Future Changes in Accounting Standards**

GASB has issued Statement No. 101, Compensated absences, effective for the year ending June 30, 2025. This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

GASB has issued Statement No. 102, Certain Risk Disclosures, effective for the year ending June 30, 2025. This Statement’s objective is to provide users of governmental financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

GASB has issued Statement No. 103, Financial Reporting Model Improvements, effective for the year ending June 30, 2026. This Statement’s objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government’s accountability. Additionally, the statements also addresses certain application issues. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 2 - Explanation of certain differences between fund statements and District-wide statements**

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

**A) Total fund balances of Governmental Funds versus Net Position of Governmental Activities:**

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

**B) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:**

Differences between the funds' Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. This reconciliation is performed on page 17.

**i) Long-term revenue differences:**

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

**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 or financing of intangible lease and subscription assets in the fund statements and depreciation expense or amortization 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.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 2 - Explanation of certain differences between fund statements and District-wide statements (continued)**

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.

**Note 3 - Stewardship, Compliance and Accountability**

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund. The voters of the District approved the proposed appropriation budget for the General Fund on May 16, 2023, totaling \$39,546,615.

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

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the aggregate 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, 2024. 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.

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

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include funding reserves and utilizing fund balance for operations.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 3 - Cash and Cash Equivalents**

Credit Risk – In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations used by other municipalities and authorities within the State.

Concentration of Credit Risk – To promote competition in rates and service costs, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest Rate Risk – The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, were appropriately collateralized with securities held by the pledging financial institution.

Restricted cash 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 \$18,580,435 within the governmental funds for various fund balance reserves in the general fund, special revenue fund, debt service payments and voter approved capital project.

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.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

External Investment Pool - The District participates in an external investment pool, the New York Cooperative Liquid Assets Securities System (NYCLASS). NYCLASS was established in September 1989, as a cooperative investment arrangement organized under the NYCLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. NYCLASS is available for investment by any New York State Municipal Cooperation or District. NYCLASS operates like a money market mutual fund with shares valued at \$1.00.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 3 - Cash and Cash Equivalents (continued)**

NYCLASS is administered by and elected governing board of up to fifteen members. A board member must be either a participant's chief fiscal officer, other designated officer, or employee of the participant who has knowledge and expertise in financial matters. The board invests cooperative funds only in securities that are legal for public funds investment in New York. The board limits these investments to repurchase agreements collateralized 102% with U.S. Treasury securities and agency securities backed by the full faith and credit of the U.S. Government, U.S. Treasury bills and notes, obligations of the state of New York, collateralized bank deposits, and other U.S. government guaranteed obligations. NYCLASS measures its investments at fair value in accordance with GASB standards. NYCLASS reports the amortized cost of investments to participants, which approximates fair value. NYCLASS is rated by S&P Global Ratings and the current rating was AAAM as of March 31, 2023, whereby AAAM is defined as extremely strong capacity to maintain principal stability and limit exposure to principal losses due to credit market and/or liquidity risks. As of June 30, 2024, the District's investment in NYCLASS totaled \$14,734,504 which are included in cash and cash equivalents for the general fund. Financial statements, independently audited, of NYCLASS are available from NYCLASS at [www.newyorkclass.org](http://www.newyorkclass.org).

**Note 4-Interfund Receivables, Payables, Revenues and Expenditures**

Interfund Receivables, Payables, Revenues and Expenditures at June 30, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 399,379	\$ 1,942	\$ 11,681	\$ 226,386
Special Aid Fund	-	399,237	6,386	-
School Lunch Fund	-	-	120,000	-
Debt Service Fund	80,553	-	-	11,681
Capital Projects Fund	1,942	80,553	100,000	-
Special Revenue Fund	-	142	-	-
Total government activities	<u>\$ 481,874</u>	<u>\$ 481,874</u>	<u>\$ 238,067</u>	<u>\$ 238,067</u>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 5 - Capital Assets**

Capital asset balances and activity were as follows:

	Beginning Balance 7/1	Additions	Reclassifications/ Deletions	Ending Balance 6/30
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 123,351	\$ -	\$ -	\$ 123,351
Construction in progress	2,391,174	10,461,080	(100,000)	12,752,254
Total nondepreciable	<u>2,514,525</u>	<u>10,461,080</u>	<u>(100,000)</u>	<u>12,875,605</u>
Capital assets that are depreciated:				
Buildings and improvements	104,486,602	231,906	(1,758,874)	102,959,634
Machinery and equipment	4,813,559	923,549	(500,374)	5,236,734
Total depreciable assets	<u>109,300,161</u>	<u>1,155,455</u>	<u>(2,259,248)</u>	<u>108,196,368</u>
Less accumulated depreciation:				
Buildings and improvements	26,247,518	2,238,926	-	28,486,444
Machinery and equipment	1,920,493	449,775	214,801	2,155,467
Total accumulated depreciation	<u>28,168,011</u>	<u>2,688,701</u>	<u>214,801</u>	<u>30,641,911</u>
Total depreciated assets, net	<u>\$ 83,646,675</u>	<u>\$ 8,927,834</u>	<u>\$ (2,144,447)</u>	<u>\$ 90,430,062</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 158,476
Instruction	2,228,048
Food service	3,753
Pupil transportation	298,424
	<u>\$ 2,688,701</u>

**Note 6-Short-Term Debt**

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

	Original Amount	Maturity	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance
\$1,407,321 Bond Anticipation Notes, 2022	\$ 1,407,321	8/16/2023	3.75%	\$ 1,407,321	\$ -	\$ 1,407,321	\$ -
\$1,569,828 Bond Anticipation Notes, 2023 - (a)	\$ 1,569,828	8/15/2024	4.50%	-	1,569,828	-	1,569,828
\$17,000,000 Bond Anticipation Notes, 2023 - (b)	\$ 17,000,000	7/17/2024	4.50%	-	17,000,000	-	17,000,000
Total Short-Term Debt				<u>\$ 1,407,321</u>	<u>\$18,569,828</u>	<u>\$ 1,407,321</u>	<u>\$18,569,828</u>



**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 6–Short-Term Debt (continued)**

- (a) - The \$1,569,828 notes are general obligations of the District. The notes were 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 various bond resolutions duly adopted by the District's Board of Education authorizing the purchase of student transport vehicles. The proceeds of the notes, along with \$460,431 of direct funds from the District, redeemed and partially renewed the \$1,407,321 (\$946,890 renewed) notes that matured on August 16, 2023 and provided \$622,938 of new monies for the acquisition of student transport vehicles in the current year.
- (b) - The \$17,000,000 notes are general obligations of the District. The notes were 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 various bond resolutions duly adopted by the District's Board of Education authorizing the purchase of student transport vehicles. The proceeds of the notes provided \$17,000,000 of new monies for reconstruction and upgrades of the District's buildings (2020 Capital Project). \$16,500,000 of the notes were issued as the first borrowing of a bond resolution adopted January 5, 2021 authorizing the capital improvement project in the amount of \$21,500,000, utilizing \$2,875,000 of District reserves and borrowed monies not to exceed \$18,625,000.

The District, subsequent to June 30, 2024 issued new bond anticipation notes. On July 16, 2024, the District issued \$17,625,028 of Bond Anticipation Notes, at an interest rate of 4.5%, maturing on June 26, 2025. The Note is being issued to redeem and renew the \$17,000,000 bond anticipation notes that matured on July 17, 2024 and provide \$625,028 new money to fund the 2020 Capital Project. On August 14, 2024, the District issued \$1,761,459 of Bond Anticipation Notes, at an interest rate of 4.0%, maturing on August 14, 2025. The Note is being issued, along with \$492,369 available funds of the District, to partially redeem and renew the \$1,569,828 bond anticipation notes that matured August 15, 2024 and provide \$684,000 new money for the acquisition of student transport vehicles.

Total interest paid and expensed on short-term debt totaled \$52,775 for the year ended June 30, 2024.

**Note 7-Long-Term Obligations**

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Government activities					
Serial bonds	\$ 37,256,653	\$ -	\$ 2,964,893	\$ 34,291,760	\$ 2,593,212
Other obligations					
Net pension liability (asset)	3,276,282	-	1,169,128	2,107,154	-
OPEB	38,630,314	2,642,975	2,778,096	38,495,193	1,210,275
Compensated absences	673,551	-	94,595	578,956	-
Total long-term obligations	<u>\$ 79,836,800</u>	<u>\$ 2,642,975</u>	<u>\$ 7,006,712</u>	<u>\$ 75,473,063</u>	<u>\$ 3,803,487</u>

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

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 7-Long-Term Obligations (continued)**

Existing serial and statutory bond obligations:

Description		Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
School District Refunding (Serial) Bonds, 2016	(a)	7/20/2016	\$ 3,730,000	6/15/2025	2.00%-4.00%	\$ 75,000
School District Refunding (Serial) Bonds, 2014	(b)	9/25/2014	\$ 3,185,000	6/15/2026	2.25%-5.0%	465,000
School District (Serial) Bonds, 2017	(c)	6/26/2017	\$ 3,100,000	6/15/2033	2.0%-3.0%	1,710,000
School District (Serial) Bonds, 2018	(d)	7/5/2018	\$ 6,034,299	6/15/2033	3.000%-3.125%	4,075,000
School District Revenue Bonds, 2023C	(e)	6/15/2023	\$ 26,055,000	6/15/2037	5.0%	24,935,000
Premium on 2023C Bond	(e)	6/15/2023	\$ 3,264,972	6/15/2037	NA	3,031,760
						<u>\$ 34,291,760</u>

(a) - The \$75,000 of bonds outstanding (original issuance of \$3,730,000) are general obligation of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and a refunding bond resolution duly adopted by the Board of Education of the District on June 21, 2016. The bond refunded \$3,750,000 of bonds outstanding pertaining the District's series 2009 bonds which were for additions and renovations to various buildings, facilities, and athletic fields and courts. The series 2009 bonds were redeemed by the District on June 15, 2019 and are no longer general obligations of the District. The bonds bear interest ranging from 2.0% to 4.0%, whereby such interest is payable semi-annually on June 15 and December 15. The bonds are not subject to redemption prior to maturity.

(b) - The \$465,000 of bonds outstanding (original issuance of \$3,185,000) are general obligations of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and a refunding bond resolution duly adopted by the Board of Education of the District on August 26, 2014. The bonds were issued to refund, prior to maturity, \$835,000 of the Series 2004 bonds and \$2,440,000 of the Series 2006 bonds. The refunding plan required the District to redeem the bonds on the bonds call dates of December 15, 2014 and June 15, 2016, respectively for the Series 2004 and Series 2006 bonds. Both the Series 2004 and Series 2006 bonds were redeemed by the District and are no longer general obligations of the District. The bonds bear interest ranging from 2.25% to 5.0%, whereby such interest is payable semi-annually on June 15 and December 15. Bonds maturing on or before June 15, 2024, totaling \$230,000 are not subject to redemption prior to maturity, while bonds maturing after June 15, 2024, totaling \$465,000 are subject to redemption at the option of the District at par plus accrued interest to the redemption date.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 7-Long-Term Obligations (continued)**

- (c) - The \$1,710,000 of bonds outstanding (original issuance of \$3,100,000) are general obligation of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and bond resolutions duly adopted by the Board of Education of the District.

\$2,330,000 of the bonds issued were issued to finance the December 2013 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,835,299.

The remaining \$770,000 of the bond issuance were issued to finance the May 2014 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building and Waterman Elementary building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,033,000.

The bonds bear interest ranging from 2.0% to 3.0%, whereby such interest is payable semi-annually on June 15 and December 15. Bonds maturing on or before June 15, 2025 are not subject to redemption prior to maturity, while bonds maturing after June 15, 2026 are subject to redemption at the option of the District at par plus accrued interest to the redemption date.

- (d) - The \$4,075,000 of bonds outstanding (original issuance of \$6,034,299) are general obligation of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and bond resolutions duly adopted by the Board of Education of the District.

\$300,299 of the bonds issued were issued to finance the December 2013 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,835,299.

\$1,072,000 of the bond issuance were issued to finance the May 2014 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building and Waterman Elementary building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,033,000.

\$4,565,000 of the bond issuance were issued to finance the May 2015 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$4,850,000.

The remaining \$97,000 of the bond issuance were issued to finance the May 2016 approved capital project pertaining renovations, reconstruction, alterations and improvements to the District's transportation facility.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 7–Long-Term Obligations (continued)**

The bonds bear interest ranging from 3.0% to 3.125%, whereby such interest is payable semi-annually on June 15 and December 15. Bonds maturing on or before June 15, 2026 are not subject to redemption prior to maturity, while bonds maturing after June 15, 2027 are subject to redemption at the option of the District at par plus accrued interest to the redemption date.

- (e) – The \$24,935,000 of bonds outstanding are general obligations of the District. The bonds were issued by the Dormitory Authority of the State of New York (DASNY) in four series totaling \$1,075,205,000, whereby the District's bonds were part of the \$65,365,000 Series 2023C. DASNY is a public benefit corporation of New York State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit institutions. The bonds are special limited obligations of DASNY, payable solely from and secured by a pledge of payments to be made by the applicable school districts in each series. The bond proceeds were used to finance all or a portion of the costs of school district capital facilities and school district capital equipment and to refinance certain bond anticipation notes for school district capital facilities and equipment.

The District used the proceeds of the bonds to pay-off its outstanding bond anticipation note totaling \$30,804,408 pertaining to its capital project 2021. Total proceeds of the bond issuance was \$29,319,972 (\$26,055,000 of bonds payable and \$3,264,972 of premium).

The bonds bear interest at 5%, whereby such interest is payable semi-annually on June 15 and December 15. Bonds maturing on or before October 1, 2031 are not subject to redemption prior to maturity, while bonds maturing after October 1, 2031 are subject to redemption at the option of the District at par plus accrued interest to the redemption date.

The following is a summary of debt service requirements:

	Principal	Premium	Interest
Fiscal year ended June 30,			
2025	\$ 2,360,000	\$ 233,212	\$ 1,437,975
2026	2,385,000	233,212	1,335,175
2027	2,240,000	233,212	1,233,175
2028	2,345,000	233,212	1,136,144
2029	2,435,000	233,212	1,033,544
2030-2034	12,600,000	1,166,060	3,467,813
2035-2037	6,895,000	699,640	682,250
Totals	<u>\$ 31,260,000</u>	<u>\$ 3,031,760</u>	<u>\$ 10,326,076</u>

Total interest paid on long-term debt was \$1,935,714 for the year ended June 30, 2024.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 8–Pension Plans**

A) General Information

The District participates in the New York State Teacher’s Retirement System (TRS) and the New York State and Local Employee’s Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B) Provisions and Administration

A 10 member Board of Trustees of the New York State Teachers’ Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired.

Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System’s website at [www.nystrs.org](http://www.nystrs.org).

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 8-Pension Plans (continued)**

**C) Funding Policies**

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

The District's share of the required contributions for the current year and two preceding years were equal to 100% of the contributions required, were as follows:

<u>Contributions</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2024	\$ 1,378,147	\$ 386,111
2023	1,268,886	329,749
2022	1,175,666	386,904

**D) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

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

	<u>ERS</u>	<u>TRS</u>
District code	73126	2551
Valuation date	4/1/2023	6/30/2022
Measurement date	3/31/2024	6/30/2023
Net pension asset/ (liability)	\$ (1,277,872)	\$ (829,282)
District's portion of the Plan's total net pension asset/ (liability)	0.0086788%	0.072516%

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 8–Pension Plans (continued)**

For the year ended June 30, the District recognized proportionate pension expenses of \$588,859 for ERS and \$2,323,176 for TRS. At June 30, the District’s reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources		Deferred inflow of resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 411,602	\$ 2,010,787	\$ 34,844	\$ 4,969
Changes of assumption	483,135	1,785,419	-	389,122
Net difference between projected and actual earnings on pension plan investments	-	423,912	624,234	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	128,670	102,000	34,427	150,794
District's contribution subsequent to the measurement date	-	1,473,688	-	-
Total	<u>\$ 1,023,407</u>	<u>\$ 5,795,806</u>	<u>\$ 693,505</u>	<u>\$ 544,885</u>

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

Year ended:	ERS	TRS
2025	\$ (205,708)	\$ 308,213
2026	270,618	(433,854)
2027	394,584	3,337,801
2028	(129,592)	237,190
2029	-	200,664
Thereafter	-	127,219
Net, total	<u>\$ 329,902</u>	<u>\$ 3,777,233</u>

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Notes to the Financial Statement**  
**For the Year Ended June 30, 2024**

**Note 8–Pension Plans (continued)**

E) Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95%-5.18%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July, 2015- 30-Jun-20 System's Experience
Inflation rate	2.9%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale AA, applied on a generational basis.

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

For TRS, 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.



**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 8–Pension Plans (continued)**

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

Asset Type	ERS		TRS	
	Target Allocation	Long-term expected Real Rate of Return	Target Allocation	Long-term expected Real Rate of Return
Domestic equity	32%	4.00%	33%	6.80%
International equity	15%	6.65%	15%	7.60%
Real estate	9%	4.60%	11%	6.30%
Private equity	10%	7.25%	9%	10.10%
Fixed income	23%	1.50%	0%	0.00%
Credit	4%	5.40%	0%	0.00%
Global equities	0%	0.00%	4%	7.20%
Domestic fixed income	0%	0.00%	16%	2.20%
Global bonds	0%	0.00%	2%	1.60%
High-yield bonds	0%	0.00%	1%	4.40%
Opportunistic portfolio	3%	5.25%	0%	0.00%
Cash/cash equivalents	1%	0.25%	1%	30.00%
Private debt	0%	0.00%	2%	6.00%
Absolute return strategies	0%	0.00%	0%	0.00%
Real assets	3%	5.79%	0%	0.00%
Real estate debt	0%	0.00%	6%	3.20%
	<u>100%</u>		<u>100%</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

**F) Discount Rate**

The discount rate used to calculate the total pension liability was 5.90% 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. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 8–Pension Plans (continued)**

**G) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	\$ (4,017,760)	\$ (1,277,872)	\$ 1,010,503
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (12,630,380)	\$ (829,282)	\$ 9,095,952

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. Collective (all participating employers) pension expense includes certain current period changes in the collective net pension asset (liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense is \$6,345,061,000 for ERS and \$3,249,497,237 for TRS.

**H) Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System’s fiscal year, which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$149,695.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer’s contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$1,433,750.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 9–Other Postemployment Benefits (OPEB)**

A) General Information About the OPEB Plan

*Plan Description* – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District and their eligible dependents. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided* – The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request. A summary of the benefits is as follows:

<b>Employee Group</b>	<b>Description of Benefits</b>	<b>Retiree Contributions</b>	<b>Other</b>
Superintendent	• Medical	<ul style="list-style-type: none"> <li>• Individual - 10%</li> <li>• Family - 20%</li> <li>• Surviving Spouse - 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age - 55</li> <li>• Required service - 10</li> </ul>
Administrators	• Medical	<ul style="list-style-type: none"> <li>• Individual - 20%</li> <li>• Family – 50%</li> <li>• Surviving Spouse – 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age – 55</li> <li>• Required service - 10</li> </ul>
Teaching Employees - hired before 12/15/2009	• Medical	<ul style="list-style-type: none"> <li>• Individual - 20%</li> <li>• Family - 50%</li> <li>• Surviving Spouse - 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age - 55</li> <li>• Required service - 10</li> </ul>
Teaching Employees - hired on or after 12/15/2009	• Medical	<ul style="list-style-type: none"> <li>• Individual - 20%</li> <li>• Family - 50%</li> <li>• Surviving Spouse - 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age - 55</li> <li>• Required service - 15</li> </ul>
CSEA - hired before 7/1/2009	• Medical	<ul style="list-style-type: none"> <li>• Individual - 20%</li> <li>• Family - 50%</li> <li>• Surviving Spouse - 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age - 55</li> <li>• Required service - 12</li> </ul>
CSEA - hired on or after 7/1/2009	• Medical	<ul style="list-style-type: none"> <li>• Individual - 20%</li> <li>• Family - 50%</li> <li>• Dental - 100%</li> <li>• Surviving Spouse - 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age - 55</li> <li>• Required service - 15</li> </ul>
CSEA – 30 – 35 hours per week	• Medical	<ul style="list-style-type: none"> <li>• Individual - 25%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age – 55</li> <li>• Required service - 15</li> </ul>
Confidential / Managerial	• Medical	<ul style="list-style-type: none"> <li>• Individual - 20%</li> <li>• Family – 50%</li> <li>• Surviving Spouse – 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Required age – 55</li> <li>• Required service - 10</li> </ul>

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Notes to the Financial Statement**  
**For the Year Ended June 30, 2024**

**Note 9—Other Postemployment Benefits (OPEB) (continued)**

*Employees Covered by Benefit Terms* – As of July 1, 2022 the following employees were covered by the benefit terms:

Active employees	173
Retirees	172
Beneficiaries	8
Spouses of retirees	56
	<u>409</u>

**B) OPEB Liability**

The District's total OPEB liability of \$38,495,193 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. The actuarial valuation as of July 1, 2022 was projected to the measurement date of June 30, 2024.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2024 financial reporting valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	2.40 percent, average, including inflation
Discount Rate	3.93 percent
Healthcare Cost Trend Rates	3.80 percent to 6.80 percent over 55 years

Since the OPEB is not funded, the selection of the discount rate is consistent with the GASB 75 standards discounting unfunded liabilities based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index and increased from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching Positions, both generationally projected using the MP-2021 Scale.

**C) Changes in the Total OPEB Liability**

Balance at June 30, 2023	\$ 38,630,314
Changes for the Year	
Service cost	1,210,275
Interest	1,432,700
Changes in assumptions or other inputs	(1,590,412)
Benefit payments	<u>(1,187,684)</u>
Net Changes	<u>(135,121)</u>
Balance at June 30, 2024	<u>\$ 38,495,193</u>

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

**Note 9–Other Postemployment Benefits (OPEB) (continued)**

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

	Discount		
	1% Decrease	Rate	1% Increase
Total OPEB Liability	\$ 44,647,929	\$ 38,495,193	\$ 33,522,224

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

	Healthcare Current Trend		
	1% Decrease	Rates	1% Increase
Total OPEB Liability	\$ 32,434,791	\$ 38,495,193	\$ 46,236,028

**D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, the District recognized OPEB expense of \$176,779. At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,946,188
Changes of assumptions or other inputs	1,167,319	6,885,164
	<u>\$ 1,167,319</u>	<u>\$ 9,831,352</u>

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

Year Ended June 30,	Amount
2025	\$(3,391,865)
2026	(3,250,506)
2027	(1,317,758)
2028	(672,717)
2029	(31,187)
Thereafter	-
	<u><u>\$(8,664,033)</u></u>

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 10–Risk Management**

A) General Information

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

B) Health Plan

For its employee health and accident insurance coverage, the District is a participant in the Cayuga-Onondaga School Employees Healthcare Plan, is a municipal cooperative health plan operating under a limited certificate of authority granted by the New York State superintendent of insurance. The plan is not a licensed insurer and the District is subject to a contingent assessment liability. A contingent assessment liability represents an assessment by the plan to all participating districts to fund the plan to meet minimum statutory reserve and surplus requirements as required by New York State Insurance law. Municipal cooperative health benefit plans are formed under Article 47 of the New York State Insurance Law and are health risk-sharing agreements that permit municipalities to combine to self-fund health benefits for their employees. This public entity risk pool currently has 8 school districts and one BOCES as plan members. The District pays an annual premium to the plan for this health insurance coverage. The Cayuga-Onondaga School Employees Healthcare Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$200,000 per insured event. The Plan uses reinsurance agreements to reduce its exposure to large losses on insured events. The Plan obtains independent coverage for insured events in excess of \$200,000 and the District has essentially transferred all related risk to the plan. The Plan has separate audited financial statements that are not included as a component unit of the District. The District's share of premiums for the year ended June 30, 2024 was \$3,150,719.

**Note 11–Commitments, Contingencies and Concentrations**

A) Litigation

There are currently tax certiorari claims pending against the District for which the financial impact, if any, cannot be determined at this time. The District plans on funding any settlements from the tax certiorari reserve.

B) Grants

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.

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**Notes to the Financial Statement**

**For the Year Ended June 30, 2024**

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**Note 11–Commitments, Contingencies and Concentrations (continued)**

**C) Collective Bargaining Agreements**

The majority of the District's employees are covered by various collective bargaining agreements. The Skaneateles Teachers Association agreement represents the largest percentage of employees covered by a collective bargaining agreement. Employees represented by this agreement include kindergarten teacher(s), elementary teacher(s), secondary teacher(s), school librarian(s), school nurse teacher, guidance counselor, reading coordinator, school psychologist, speech therapist, physical education teacher, music coordinator, industrial arts teacher and others as defined in the agreement. This agreement expires on June 30, 2024.

**Note 12–Rental of District Property**

The District leases property to BOCES and other individuals. Total rental income for the 2023-2024 fiscal year totaled \$25,500.

**Note 13–Tax Abatement**

The Onondaga County Industrial Development Agency (OCIDA), and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced approximately \$23,400. The District received payments in lieu of tax (PILOT) payments totaling \$213,420 to help offset the property tax reduction.

**Note 14–Subsequent Events**

The District issued Bond Anticipation Notes on July 16, 2024 and August 14, 2024. See Note 6 for further description of these Notes. Management has evaluated subsequent events through October 8, 2024, which is the date the financial statements were available to be issued.

## **Required Supplementary Information**



**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedules of Changes in the District's Total OPEB Liability and Related Ratios**  
**June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability	\$38,495,193	\$38,630,314	\$40,258,498	\$48,828,179	\$49,534,705	\$38,888,137	\$47,428,499
Service cost	\$ 1,210,275	\$ 1,238,256	\$ 1,887,127	\$ 1,697,810	\$ 1,304,048	\$ 1,883,359	\$ 1,716,890
Interest	1,432,700	1,450,081	1,084,439	1,121,668	1,387,687	1,463,455	1,398,963
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	-	(6,478,024)	-	(358,323)	(96,162)
Changes in assumptions or other inputs	(1,590,412)	(3,239,134)	(10,516,095)	3,913,947	9,052,263	(10,460,920)	-
Benefit payments	(1,187,684)	(1,077,387)	(1,025,152)	(961,927)	(1,097,430)	(1,067,933)	(1,005,397)
Net change in total OPEB liability	(135,121)	(1,628,184)	(8,569,681)	(706,526)	10,646,568	(8,540,362)	2,014,294
Total OPEB liability - beginning	38,630,314	40,258,498	48,828,179	49,534,705	38,888,137	47,428,499	45,414,205
Total OPEB liability - ending	\$38,495,193	\$38,630,314	\$40,258,498	\$48,828,179	\$49,534,705	\$38,888,137	\$47,428,499
Covered payroll	\$11,895,432	\$11,895,432	\$11,096,026	\$11,096,026	\$13,378,217	\$13,378,217	\$13,508,230
Total OPEB liability as a percentage of covered payroll	323.61%	324.75%	362.82%	440.05%	370.26%	290.68%	351.11%

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 is not yet available (implementation in 2018). 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 required supplementary information included in the auditor's report

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget (Non –GAAP Basis) and Actual – General Fund**  
**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual
<b>REVENUES</b>					
Local sources					
Real property taxes	\$ 28,069,014	\$ 28,069,014	\$ 28,054,472	\$ -	\$ (14,542)
Nonproperty taxes	45,000	45,000	54,194	-	9,194
Charges for services	118,000	118,000	167,814	-	49,814
Use of money and property	241,894	241,894	1,234,375	-	992,481
Sale of property and compensation for loss	141,500	141,500	149,104	-	7,604
Refund of prior years expenses	-	-	573,461	-	573,461
Miscellaneous	297,500	297,500	60,692	-	(236,808)
Total local sources	28,912,908	28,912,908	30,294,112		1,381,204
State sources	8,804,708	8,804,708	8,937,632	-	132,924
Federal sources	30,000	30,000	41,975	-	11,975
Total revenues	37,747,616	37,747,616	39,273,719	-	1,526,103
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	11,681	11,681	11,681	-	-
Appropriated fund balance	1,787,318	1,787,318	-	-	(1,787,318)
Appropriated reserves	-	-	-	-	-
Total revenues and other sources	39,546,615	39,546,615	39,285,400	-	(261,215)
<b>EXPENDITURES</b>					
General support					
Board of education	32,243	32,243	29,295	2,280	(668)
Central administration	263,214	263,214	271,817	1,492	10,095
Finance	574,379	577,901	576,148	-	(1,753)
Staff	204,017	204,017	154,086	-	(49,931)
Central services	3,794,263	3,890,504	3,678,286	115,867	(96,351)
Special items	533,676	559,683	573,700	-	14,017
Total general support	5,401,792	5,527,562	5,283,332	119,639	(124,591)
Instruction					
Instruction, administration and improvement	1,563,098	1,563,537	1,672,705	-	109,168
Teaching - regular school	11,106,548	11,240,299	10,333,022	199,212	(708,065)
Programs for students with disabilities	3,095,508	3,099,339	2,383,785	6,982	(708,572)
Programs for english language learners	273,833	273,833	234,592	316	(38,925)
Occupational education	436,794	436,794	436,794	-	-
Teaching - special schools	18,025	18,025	22,225	-	4,200
Instructional media	1,713,824	1,718,400	1,940,610	5,401	227,611
Pupil services	2,203,005	2,249,060	2,375,842	46,403	173,185
Total instruction	20,410,635	20,599,287	19,399,575	258,314	(941,398)
Pupil transportation	1,604,565	1,604,565	1,705,204	14,033	114,672
Employee benefits	6,736,853	6,736,853	6,393,877	2,520	(340,456)
Debt service	5,160,770	5,160,770	5,168,919	-	8,149
Total expenditures	39,314,615	39,629,037	37,950,907	394,506	(1,283,624)
<b>OTHER FINANCING USES</b>					
Transfer to school food service	120,000	120,000	120,000	-	-
Transfer to federal fund	12,000	12,000	6,390	-	(5,610)
Transfer to capital projects fund	100,000	100,000	100,000	-	-
Total expenditures and other uses	\$ 39,546,615	\$ 39,861,037	\$ 38,177,297	\$ 394,506	\$ (1,283,624)
Net change in fund balance			1,108,103		
Fund balance - beginning			17,697,429		
Fund balance - ending			\$ 18,805,532		

See paragraph on required supplementary information included in the auditor's report

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**For the Year Ended June 30, 2024**

	<i><b>Teachers' Retirement System</b></i>								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,378,147	\$ 1,268,886	\$ 1,175,666	\$ 1,025,916	\$ 1,259,877	\$ 1,298,583	\$ 1,202,954	\$ 1,321,937	\$ 1,436,943
Contributions in relation to the contractually required contribution	<u>(1,378,147)</u>	<u>(1,268,886)</u>	<u>(1,175,666)</u>	<u>(1,025,916)</u>	<u>(1,259,877)</u>	<u>(1,298,583)</u>	<u>(1,202,954)</u>	<u>(1,321,937)</u>	<u>(1,436,943)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$13,393,071	\$12,947,816	\$12,336,474	\$11,579,187	\$12,526,686	\$12,161,831	\$11,801,888	\$10,719,872	\$10,415,423
Contributions as a percentage of covered payroll	10.29%	9.80%	9.53%	8.86%	10.06%	10.68%	10.19%	12.33%	13.80%
	<i><b>Employees' Retirement System</b></i>								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 386,111	\$ 329,749	\$ 420,611	\$ 398,454	\$ 388,393	\$ 400,713	\$ 394,132	\$ 401,930	\$ 497,170
Contributions in relation to the contractually required contribution	<u>(386,111)</u>	<u>(329,749)</u>	<u>(420,611)</u>	<u>(398,454)</u>	<u>(388,393)</u>	<u>(400,713)</u>	<u>(394,132)</u>	<u>(401,930)</u>	<u>(497,170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,228,064	\$ 2,900,000	\$ 2,900,000	\$ 2,729,137	\$ 3,239,752	\$ 2,937,421	\$ 2,686,702	\$ 2,645,351	\$ 2,584,053
Contributions as a percentage of covered payroll	11.96%	11.37%	14.50%	14.60%	11.99%	13.64%	14.67%	15.19%	19.24%

See paragraph on required supplementary information included in the auditor's report

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Schedule of District Proportionate Share of the Net Pension Asset (Liability)**  
**For the Year Ended June 30, 2024**

	<i><b>Teachers' Retirement System</b></i>								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset (liability)	0.0725%	0.0731%	0.0073%	0.0682%	0.0711%	0.0705%	0.0676%	0.0664%	0.0684%
District's proportionate share of the net pension asset (liability)	\$ (829,282)	\$ (1,402,487)	\$ 12,595,108	\$ (1,885,118)	\$ 1,846,483	\$ 1,275,419	\$ 514,187	\$ 710,744	\$ 7,100,899
District's covered payroll	\$ 13,393,071	\$ 12,847,816	\$ 12,336,474	\$ 11,579,187	\$ 12,526,686	\$ 12,161,831	\$ 11,801,888	\$ 10,719,866	\$ 10,415,423
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	-6.192%	-10.916%	102.096%	-16.280%	14.740%	10.487%	4.357%	6.630%	68.177%
Plan fiduciary net position as a percentage of the total pension liability	99.2%	98.6%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%
	<i><b>Employees' Retirement System</b></i>								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset (liability)	0.0087%	0.0087%	0.0078%	0.0084%	0.0088%	0.0090%	0.0092%	0.0087%	0.0088%
District's proportionate share of the net pension asset (liability)	\$ (1,277,872)	\$ (1,873,795)	\$ 641,448	\$ (8,369)	\$ (2,327,011)	\$ (634,224)	\$ (296,586)	\$ (815,969)	\$ (1,407,935)
District's covered payroll	\$ 3,228,064	\$ 2,900,000	\$ 2,900,000	\$ 2,729,137	\$ 3,025,544	\$ 2,937,421	\$ 2,686,702	\$ 2,645,351	\$ 2,584,053
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	-39.586%	-64.614%	22.119%	-0.307%	-76.912%	-21.591%	-11.039%	-30.845%	-54.486%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

See paragraph on required supplementary information included in the auditor's report

## **SUPPLEMENTARY INFORMATION**

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Schedule of Change from Adopted Budget to Final Budget**  
**For the Year Ended June 30, 2024**

**CHANGE FROM ADOPTED TO REVISED BUDGET**

Adopted budget	\$ 39,546,615
Add prior year's encumbrances	<u>314,442</u>
Original budget	39,861,057
Budget revision:	<u>-</u>
Revised budget	<u>\$ 39,861,057</u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2024-25 voter-approved expenditure budget (approved 5/21/24)	<u>\$ 40,970,455</u>
Maximum allowed (4% of 2024-25 budget)	<u>\$ 1,638,818</u>

General fund fund balance subject to Section 1318 of Real Property Tax Law\*:

Unrestricted fund balance:	
Assigned fund balance	2,416,691
Unassigned fund balance	<u>5,493,817</u>
Total unrestricted fund balance	<u>7,910,508</u>

Less:	
Appropriated fund balance	2,022,185
Encumbrances included in committed and assigned fund balance	<u>394,506</u>
Total adjustments	<u>2,416,691</u>

General fund fund balance subject to Section 1318 of Real Property Tax Law	<u>\$ 5,493,817</u>
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Actual percentage	13.41%
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\*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

See paragraph on other information included in the auditor's report

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Schedule of Project Expenditures – Capital Projects Fund**  
**For the Year Ended June 30, 2024**

PROJECT TITLE	Building/ SED Project Number	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance 06/30/2024
				Prior Years	Current Year	Total		Proceeds of Obligations	Local Sources	Total	
Project 2021	various	\$ 36,500,000	\$ 36,500,000	\$ 36,003,189	\$ -	\$ 36,003,189	\$ 496,811	500,000	-	500,000	-
Project 2023/2024	various	21,500,000	21,500,000	2,391,176	10,361,080	\$ 12,752,256	\$ 8,747,744	16,500,000	2,875,000	19,375,000	(9,902,127)
Capital purchases 2024	NA	100,000	100,000	-	100,000	\$ 100,000	\$ -	-	100,000	100,000	-
Bus purchases -2024 and prior		623,000	622,938	-	622,938	\$ 622,938	\$ -	622,398	-	622,398	(1,570,546)
Total projects		<u>\$ 58,723,000</u>	<u>\$ 58,722,938</u>	<u>\$ 38,394,365</u>	<u>\$ 11,084,018</u>	<u>\$ 49,478,383</u>	<u>\$ 9,244,555</u>	<u>\$ 17,622,398</u>	<u>\$ 2,975,000</u>	<u>\$ 20,597,398</u>	<u>\$ (11,472,673)</u>

Note: The District issued \$17,000,000 of bond anticipation notes in 2024 to provide financing for Project 2021 and Project 2023/2024. In addition, the District renews its bond anticipation note pertaining to bus purchases each year. The District is required to repay its bus purchases over a 5 year period. The District made payments of \$460,431 on the note renewal and had new monies of \$622,938 to finance the 2024 approved bus purchases. The ending balance on this bus note is \$1,569,828 as of June 30, 2024.

See paragraph on other information included in the auditor's report

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Investment in Capital Assets, Net of Related Debt**  
**For the Year Ended June 30, 2024**

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Capital assets, net		\$ 90,430,062
Add (deduct):		
Premium on bonds payable	(3,031,760)	
Bond anticipation notes payable	(18,569,828)	
Short-term portion of bonds payable	(2,360,000)	
Long-term portion of bonds payable	<u>(28,900,000)</u>	
		<u>(52,861,588)</u>
Net investment in capital assets		<u>\$ 37,568,474</u>

See paragraph on other information included in the auditor's report



**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Combining Balance Sheet of Other (non-major) Governmental Funds**  
**June 30, 2024**

	Special Aid Fund	Special Revenue Fund	School Lunch Fund	Debt Service Fund	Total Nonmajor Funds
<b>ASSETS</b>					
Cash					
Unrestricted	\$ 87,478	\$ 132,375	\$ 415,672	\$ -	\$ 635,525
Restricted	-	315,287	-	305,997	621,284
Receivables					
State and federal aid	312,479	-	6,912	-	319,391
Due from other funds	-	-	-	80,553	80,553
Other	-	-	1,140	-	1,140
Inventories	-	-	9,896	-	9,896
	<u>-</u>	<u>-</u>	<u>9,896</u>	<u>-</u>	<u>9,896</u>
Total assets	<u>\$ 399,957</u>	<u>\$ 447,662</u>	<u>\$ 433,620</u>	<u>\$ 386,550</u>	<u>\$ 1,667,789</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	113	\$ 10,982	\$ -	\$ 11,095
Accrued liabilities	720	-	235,648	-	236,368
Due to other funds	399,237	142	-	-	399,379
Due to other governments	-	-	172	-	172
	<u>-</u>	<u>-</u>	<u>172</u>	<u>-</u>	<u>172</u>
Total liabilities	<u>399,957</u>	<u>255</u>	<u>246,802</u>	<u>-</u>	<u>647,014</u>
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Reserved for inventory	-	-	9,896	-	9,896
<b>Restricted for:</b>					
Scholarships and other	-	291,909	-	-	291,909
Grants and other	-	18,719	-	-	18,719
<b>Committed to:</b>					
Extraclassroom activities	-	115,257	-	-	115,257
Other student activities	-	21,522	-	-	21,522
<b>Assigned to:</b>					
Assigned unappropriated fund balance	-	-	176,922	386,550	563,472
	<u>-</u>	<u>-</u>	<u>176,922</u>	<u>386,550</u>	<u>563,472</u>
Total fund balances	<u>-</u>	<u>447,407</u>	<u>186,818</u>	<u>386,550</u>	<u>1,020,775</u>
Total liabilities and fund balances	<u>\$ 399,957</u>	<u>\$ 447,662</u>	<u>\$ 433,620</u>	<u>\$ 386,550</u>	<u>\$ 1,667,789</u>

See paragraph on other information included in the auditor's report

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Combining Statement of Revenue, Expenditures and**  
**Changes in Fund Balances of other (non-major) Governmental Funds**  
**Year Ended June 30, 2024**

	Special Aid Fund	Special Revenue Fund	School Lunch Fund	Debt Service Fund	Total Nonmajor Funds
<b>REVENUES</b>					
Use of money and property	\$ -	\$ -	5,517	84,906	\$ 90,423
State sources	47,088	-	4,702	-	51,790
Sales	-	-	323,627	-	323,627
Federal sources - grants	673,399	-	131,671	-	805,070
Miscellaneous	-	92,671	23	-	92,694
Total revenues	720,487	92,671	465,540	84,906	1,363,604
<b>EXPENDITURES</b>					
General support	-	72,068	-	-	72,068
Instruction	722,011	-	-	-	722,011
Pupil transportation	4,862	-	-	-	4,862
School food program	-	-	507,387	-	507,387
Employee benefits	-	-	71,261	-	71,261
Total expenditures	726,873	72,068	578,648	-	1,377,589
Excess (deficiency) of revenues over expenditures	(6,386)	20,603	(113,108)	84,906	(13,985)
<b>OTHER FINANCING SOURCES AND USES</b>					
Premium on obligations issued	-	-	-	54,641	54,641
Interfund transfers - in	6,386	-	120,000	-	126,386
Interfund transfers - out	-	-	-	(11,681)	(11,681)
Total other sources (uses)	6,386	-	120,000	42,960	169,346
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	-	20,603	6,892	127,866	155,361
Fund balance - beginning of year	-	426,679	179,926	258,684	865,289
Fund balance - end of year	\$ -	\$ 447,282	\$ 186,818	\$ 386,550	\$ 1,020,650

See paragraph on other information included in the auditor's report

**FORM OF OPINION OF BOND COUNSEL**

August 13, 2025

Skaneateles Central School District  
45 East Elizabeth Street  
Skaneateles, New York 13152

Re: Skaneateles Central School District  
\$1,899,159 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

As Bond Counsel to the Skaneateles Central School District, Counties of Onondaga and Cayuga, State of New York (the “District”), we have examined a record of proceedings relating to the issuance of \$1,899,159 Bond Anticipation Notes, 2025 (the “Notes”). The Notes are dated August 13, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District in respect of the Notes and a Certificate of Determination dated on or before August 13, 2025 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation 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 (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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

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

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

Very truly yours,

WJ Marquardt PLLC