

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

SERIAL BOND

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

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

\$1,201,885



FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT ONONDAGA AND MADISON COUNTIES, NEW YORK

GENERAL OBLIGATIONS

CUSIP Base No. 312729

\$1,201,885 School District (Serial) Bonds, 2024 (the "Bonds")

Dated: December 17, 2024

Due: October 15, 2025-2029

MATURITIES*

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2025	\$ 211,885	%	%		2027	\$ 245,000	%	%		2029	\$ 260,000	%	%	
2026	235,000				2028	250,000								

* Maximum amount of premium may not exceed \$48,000.

The Bonds are not subject to redemption prior to maturity.

The Bonds are general obligations of the Fayetteville-Manlius Central School District, Onondaga and Madison Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Bonds are not subject to redemption prior to maturity.

The Bonds will be issued as registered bonds and, at the option of the purchaser, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination with respect to the 2025 maturity. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on October 15, 2025 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof except for one necessary odd denomination with respect to the 2025 maturity, and the District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$1,201,885 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds 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 Bonds of Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel. It is anticipated that the Bonds 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, or about December 17, 2024.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on December 3, 2024 by no later than 10:00 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 Bonds pursuant to the terms provided in the Notice of Sale for the Bonds.

November 22, 2024

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF PRIVATE COMPETITIVE BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX C – CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

ONONDAGA AND MADISON COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

SARAH FITZGERALD

President



REBECCA COHEN

Vice President

ANN BERSANI
JASON CATALINO
CYNTHIA HEFTI
MARISSA JOY MIMS
KRISTEN PURCELL
DANIEL SEIDBERG
DARYLL FITCH WHEELER

* * * * *

DR. CRAIG J. TICE

Superintendent of Schools

BRAD CORBIN

Assistant Superintendent of Business Services

SHERYL CONLEY

Treasurer

LYNN FRYE

Supervisor of Accounting

FF FERRARA FIORENZA PC

School District Attorney



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



TRESPASZ LAW OFFICES, LLP

Bond Counsel

No person has been authorized by Fayetteville-Manlius 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 Bonds 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 Fayetteville-Manlius Central School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
ONONDAGA AND MADISON COUNTIES, NEW YORK
Relating To
\$1,201,885 School District (Serial) Bonds, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the Fayetteville-Manlius Central School District, Onondaga and Madison Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$1,201,885 principal amount of School District (Serial) Bonds, 2024 (the "Bonds").

The factors affecting the District's financial condition and the Bonds 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 Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

THE BONDS

Description of the Bonds

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

The Bonds will be dated December 17, 2024 and will mature in the principal amounts as set forth on the cover page of this Official Statement. The Bonds are not subject to redemption prior to maturity. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued in either (i) the name of the purchaser, as may be determined by the successful bidder with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder; or (ii) at the option of the purchaser, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and Statutes of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution adopted by the Board of Education on June 10, 2024 for the purchase of school buses at a total maximum cost not to exceed \$1,201,885 with such cost to be financed by the issuance of serial bonds of the District.

The proceeds of the Bonds will provide \$1,201,885 in new monies for this purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds 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 Bonds 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 Bonds 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 Bonds; 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 Bonds, 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 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

DTC may discontinue providing its services as depository with respect to the Bonds 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (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 BONDS.

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 Bonds

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity, except for one necessary odd denomination with respect to the 2025 maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on October 15, 2025 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE SCHOOL DISTRICT

General Information

The District, with a land area of approximately 42 square miles, is located in upstate New York in the eastern sector of Onondaga County and western sector of Madison County. The City of Syracuse is situated approximately 10 miles west of the District. The incorporated Villages of Fayetteville and Manlius lie wholly within the District. The District is also made up of portions of the Towns of Dewitt, Manlius and Pompey in Onondaga County and the Towns of Cazenovia and Sullivan in Madison County (collectively, the "Towns").

The District is primarily suburban in character with mainly single-family residences. There has been minimal housing and commercial development. The District is monitoring and collaborating with other local officials with regard to the planned Micron chip facility and the possible enrollment and corresponding tax impact.

Police protection is afforded residents by Town, County and State agencies. Fire protection is provided by various volunteer groups.

Source: District officials.

Population

The 2022 estimated population of the District is 26,836. (Source: U.S. Census Bureau, 2018-2022 American Community Survey data.)

Larger Employers

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

<u>Name</u>	<u>Type</u>	<u>Employees</u>
L. & J.G. Stickley, Inc.	Manufacturing/Retail	925
Fayetteville-Manlius Central School District	Public Education	761
Northeast Medical, P.C.	Health Care	500
Target Corporation	Retail	200
Tops Pt, LLC	Retail (Grocery)	139

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are the below-listed Towns and Counties. The figures set below with respect to such Towns and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Manlius	\$ 38,170	\$ 49,627	\$ 55,785	\$ 88,386	\$109,663	\$ 126,418
Pompey	37,053	55,649	58,349	93,731	121,273	120,341
DeWitt	36,542	40,301	49,565	80,299	99,021	118,603
Cazenovia	39,056	43,657	52,545	90,855	108,213	129,650
Sullivan	24,982	32,979	37,178	64,101	87,035	95,351
Counties of:						
Onondaga	27,037	34,600	39,371	65,929	82,368	94,559
Madison	24,311	32,443	37,666	61,828	78,812	89,213
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

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

Note: 2019-2023 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which include the District) are the Counties of Onondaga and Madison. 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 inferred 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 Averages</u>												
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>					
Onondaga County	4.6%	4.0%	3.8%	8.0%	5.0%	3.4%	3.5%					
Madison County	5.5	4.7	4.3	7.5	4.6	3.5	3.7					
New York State	4.6	4.1	3.9	9.8	7.1	4.3	4.2					

<u>Monthly Figures</u>												
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Onondaga County	4.1%	4.1%	3.9%	3.5%	3.7%	3.6%	4.0%	3.9%	3.1%	3.2%	N/A	N/A
Madison County	5.1	5.0	4.5	3.8	3.7	3.7	4.0	3.8	2.9	3.0	N/A	N/A
New York State	4.3	4.5	4.2	3.9	4.2	4.3	4.9	4.9	4.0	4.1	N/A	N/A

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted). Unemployment rates for the months of November and December of 2024 are unavailable as of the date of this Official Statement.

Form of School Government

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

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 1,181 to 932. The District's budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.82%, which was equal to the District tax levy limit of 3.82%.

The District's 2024-2025 budget was approved by the qualified voters of the District on May 21, 2024 by a vote of 1,662 to 1,021. The District's budget for 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a tax levy increase of 3.49%, which was below the District's allowable Tax Cap of 3.52%.

Investment Policy

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) Savings Accounts or Money Market Accounts of designated banks; (2) Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State; (3) Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; (4) Obligations of New York State; (5) Obligations of the United States Government (U.S. Treasury Bills and Notes); and (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2024-2025 fiscal year, approximately 31.18% 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. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

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, including the diversion of federal resources to address the COVID-19 outbreak.

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2024-25 preliminary building aid ratios, the District expects to receive State building aid of approximately 80.9% 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

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

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately \$27.9 billion, an annual increase of approximately \$100 million or 0.4%. The State's 2020-

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

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

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

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

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

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

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

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

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

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

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

State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 85,186,909	\$ 19,578,077	22.98%
2020-2021	87,713,284	19,906,875	22.70
2021-2022	92,823,886	24,100,461	25.96
2022-2023	99,030,962	28,110,018	28.39
2023-2024	106,978,207	32,334,104	30.22
2024-2025 (Budgeted)	109,088,226	34,012,831	31.18

⁽¹⁾ Revenues figures do not include interfund transfers.

Source: Audited Financial Statements for the 2019-20 through 2023-24 fiscal years, and the adopted budget for the 2024-25 fiscal year (unaudited). This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Fayetteville Elementary	K-4	594	1952, '89, '96
Mott Road Elementary	K-4	567	1957, '95, '99, 2000
Enders Road Elementary	K-4	672	1968, '89, '99, 2001, '03, '19
Wellwood Middle School	5-8	823	1933, '65, '98, 2000, '03, '07, '08, '21
Eagle Hill Middle School	5-8	757	1972, '89, '98, 2000, '03,
High School	9-12	1,747	1960, '65, '98, '99, 2000, '03, '08, '24

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-2021	4,085	2025-2026	4,175
2021-2022	4,100	2026-2027	4,185
2022-2023	4,131	2027-2028	4,200
2023-2024	4,139	2028-2029	4,215
2024-2025	4,114	2029-2030	4,230

Source: District officials.

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Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
393	Fayetteville-Manlius Teachers' Association	June 30, 2026
19	Fayetteville-Manlius Administrators' Association	June 30, 2027
138	Teacher Aide/Assistant Association	June 30, 2025
31	School Office Personnel	June 30, 2027
65	Transportation	June 30, 2025
53	Maintenance and Custodial	June 30, 2025
31	Cafeteria	June 30, 2027

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The contributions for the below fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 1,488,451	\$ 2,807,148
2020-2021	1,549,570	3,119,386
2021-2022	1,643,847	3,311,079
2022-2023	1,287,546	3,595,485
2023-2024	1,586,208	3,542,519
2024-2025 (Budgeted)	1,997,655	4,105,286

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District did not offer any retirement incentives for the past three fiscal years, and does not plan to do so for the 2024-25 fiscal year.

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

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11

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

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

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

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

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

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

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

Other Post-Employment Benefits

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

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

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

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

The District contracted with Armory Associates LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

	2022	2023
Balance beginning at June 30:	\$ 214,992,369	\$ 202,663,934
<u>Changes for the year:</u>		
Service cost	7,742,272	6,833,852
Interest	4,716,436	7,326,155
Changes in benefit terms	-	-
Differences between expected and actual experience	5,351,370	-
Changes in assumptions or other inputs	(25,457,606)	(3,748,225)
Benefit payments	(4,680,907)	(5,088,463)
Net Changes	\$ (12,328,435)	\$ 5,323,319
Balance ending at June 30:	2023	2024
	\$ 202,663,934	\$ 207,987,253

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

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

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

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

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds 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 Bonds as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ended June 30, 2024 and is attached hereto as “APPENDIX – D”. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for 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.

Grossman St. Amour Certified Public Accountants PLLC, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Grossman St. Amour Certified Public Accountants PLLC also has not performed any procedures relating to this Official Statement.

New York State Comptroller Report of Examination

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

The State Comptroller's office released its most recent audit report of the District on November 13, 2020. The purpose of the audit was to determine whether District officials sought competition for procurement of professional services for the period July 1, 2018 to February 29, 2020.

Key Findings:

- With minor exceptions, District officials sought competition for professional services.

Key Recommendations:

- Continue to review and update the request for proposal (RFP) timetable and ensure all professional services are procured in accordance with District policy.

A copy of the complete report can be found via the website of the Office of the New York State Comptroller.

The Office of the State Comptroller reviewed the District's tax cap calculation during the 2024-2025 fiscal year. This review was not a full audit, and therefore, it is not anticipated that it will be published to the website of the Office of the State Comptroller. The review was completed satisfactorily, and there was no further action required as a result of the completed review.

There are no other Office of the State Comptroller reports of the District released within the past five years, nor are there any others that are currently in progress or pending release.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	0.0
2022	No Designation	3.3
2021	No Designation	0.0

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

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:					
Manlius ^(a)	\$ 2,101,834,818	\$ 2,140,352,390	\$ 2,383,654,557	\$ 2,669,548,039	\$ 3,000,816,635
Pompey ^(b)	358,544,379	361,006,659	360,647,713	361,702,947	363,095,087
Cazenovia	95,985	97,712	96,891	95,515	95,324
Sullivan	827,188	824,449	813,140	801,469	811,409
DeWitt	75,921,605	79,045,785	95,359,883	106,222,267	117,880,333
Total Assessed Values	<u>\$ 2,537,223,975</u>	<u>\$ 2,581,326,995</u>	<u>\$ 2,840,572,184</u>	<u>\$ 3,138,370,237</u>	<u>\$ 3,482,698,788</u>
State Equalization Rates					
Towns of:					
Manlius	100.00%	100.00%	100.00%	100.00%	100.00%
Pompey	89.00%	89.00%	78.00%	70.00%	63.00%
Cazenovia	99.00%	97.00%	91.00%	76.00%	71.00%
Sullivan	92.00%	87.00%	80.00%	69.00%	69.50%
DeWitt	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	<u>\$ 2,581,611,348</u>	<u>\$ 2,626,072,011</u>	<u>\$ 2,942,506,201</u>	<u>\$ 3,293,776,029</u>	<u>\$ 3,696,340,130</u>

(a) Includes Clergy Exemption. The fiscal year ended June 30, 2021 includes \$33,000 of such exemptions, the fiscal year ended June 30, 2022 includes \$34,500 of such exemptions, the fiscal year ended June 30, 2023 includes \$28,500 of such exemptions, the fiscal year ended June 30, 2024 includes \$28,500 of such exemptions, and the fiscal year ended June 30, 2025 includes \$28,500 of such exemptions.

(b) Includes Clergy Exemption. The fiscal years ended June 30, 2021 through June 30, 2025 each include \$1,500 of such exemptions.

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:					
Manlius	\$ 25.40	\$ 25.25	\$ 22.94	\$ 21.28	\$ 19.62
Pompey	28.53	28.37	29.40	30.40	31.14
Cazenovia	25.65	26.03	25.20	28.00	27.63
Sullivan	27.60	29.02	28.67	30.84	28.22
DeWitt	25.40	25.25	22.93	21.28	19.62

Tax Collection Procedure

District taxes are payable during the month of September without penalty. A 2% penalty is imposed for late payment. Unpaid school taxes are returned to the respective County Treasurers on or about November 15 and the District is reimbursed in full before the end of the fiscal year in which the taxes are levied.

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 ⁽¹⁾	\$ 65,592,550	\$ 66,324,264	\$ 67,521,063	\$ 70,102,633	\$ 72,547,830
Amount Uncollected ⁽²⁾	2,084,258	1,658,009	2,009,332	2,376,704	2,313,876
% Uncollected	3.18%	2.50%	2.98%	3.39%	3.19%

(1) Figures do not include Payments in Lieu of Taxes ("PILOTs").

(2) See "Tax Collection Procedure" herein.

Note: Uncollected tax figures for the 2024-2025 fiscal year are estimates.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 85,186,909	\$ 63,594,787	74.65%
2020-2021	87,713,284	65,594,073	74.78
2021-2022	92,823,886	66,336,432	71.46
2022-2023	99,030,962	67,534,795	68.20
2023-2024	106,978,207	70,152,428	65.58
2024-2025 (Budgeted)	109,088,226	72,604,395	66.56

⁽¹⁾ Revenues figures do not include interfund transfers.

Source: Audited Financial Statements for the 2019-20 through 2023-24 fiscal years, and the adopted budget for the 2024-25 fiscal year (unaudited). This table is not audited.

Ten Largest Taxpayers – 2024 Assessment Roll for 2024-25 School District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
National Grid	Utility	\$ 61,068,876
Cor Route 5 Company, LLC	Retail	35,118,800
Towne Center Retirement Community LLC	Residential	20,000,000
Wildwood Ridge Associates	Residential	14,163,000
Manlius Acad LLC	Residential	11,644,000
Carriage House East LLC	Residential	11,053,000
Target Corporation	Retail	8,476,000
Suburban Apts LLC	Residential	8,392,000
Maple Downs Fayetteville Retirement	Residential	7,526,000
L&JG Stickley Inc	Manufacturing	6,137,000

The larger taxpayers listed above have a total taxable full valuation of \$183,578,676, which represents approximately 4.97% of the tax base of the District for the 2024-2025 fiscal year.

As of this date, there are tax certioraris petitions pending against the District that, if decided adversely to the District, may have a material adverse impact on the District's financial condition. As of June 30, 2024, the District had a tax certiorari reserve with a balance of \$2,407,084, which the District believes is sufficient to cover any necessary adjustments for the 2024-25 fiscal year.

Source: District officials.

STAR – School Tax Exemption

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

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

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

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District for 2024-2025:

<u>Towns</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
DeWitt	\$ 84,000	\$ 30,000	4/9/2024
Manlius	84,000	30,000	4/9/2024
Pompey	58,800	21,150	4/9/2024
Cazenovia	65,920	24,300	4/9/2024
Sullivan	57,960	21,360	4/9/2024

\$3,444,247 of the District's \$70,102,633 school tax levy for the 2023-2024 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2024.

Approximately \$3,180,937 of the District's \$72,547,830 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2025.

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-94%; Commercial-4%; and Industrial-2%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$3,905 including County, Town, School District and fire district taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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

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

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 Year Ending June 30th:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 24,485,137	\$ 25,416,556	\$ 46,104,729	\$ 42,251,070	\$ 39,612,821
Bond Anticipation Notes	11,592,593	20,482,027	0	0	15,100,000
Capital Leases ⁽¹⁾	<u>809,969</u>	<u>578,340</u>	<u>335,000</u>	<u>135,000</u>	<u>0</u>
Total Debt Outstanding	\$ 36,887,699	\$ 45,898,583	\$ 46,439,729	\$ 42,386,070	\$ 54,712,821

- ⁽¹⁾ Represents Energy Performance Contract indebtedness of the District. In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with the recognition of inflows and outflows of resources, as applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of November 22, 2024.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2042	\$ 38,790,000
<u>Bond Anticipation Notes</u>		
Capital Project	July 17, 2025	<u>44,800,000</u>
	Total Indebtedness	<u>\$ 83,590,000</u>

Note: The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of November 22, 2024:

Full Valuation of Taxable Real Property	\$ 3,696,340,130
Debt Limit – 10% thereof	369,634,013

Inclusions:

Bonds.....	\$ 38,790,000	
Bond Anticipation Notes (BANs):.....	44,800,000	
Total Inclusions prior to issuance of the Bonds.....	83,590,000	
Less: BANs being redeemed from appropriations (Total)	(0)	
Add: New money proceeds of the Bonds (Total).....	1,201,885	
Total Net Inclusions after issuance of the Bonds		\$ 84,791,885

Exclusions:

State Building Aid ⁽¹⁾	\$ 0	
Total Exclusions		\$ 0

Total Net Indebtedness <u>after issuance of the Bonds</u>	\$ 84,791,885
Net Debt-Contracting Margin	\$ 284,842,128
The percent of debt contracting power exhausted is	22.94%

- ⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2024-2025 Building Aid Ratios, the District anticipates State building aid of 80.9% for debt service on SED 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 its capital project indebtedness.

Notes: 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.

The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to 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 issued tax anticipation notes or revenue anticipation notes in the past five fiscal years, and does not reasonably expect to do so in the foreseeable future.

Capital Project Plans

On December 7, 2021, the qualified voters of the District approved a \$52 million capital improvement project to modernize and expand the High School. The capital improvement project allows for programmatic upgrades and improvements, a better connection between the school’s House 1 and 2, centralization of administrators’ and counseling offices, improved heating and ventilation throughout the school and renovations to portions of the building to better meet students’ needs. To lessen the \$52 million project’s impact on taxpayers, the District will use a combination of \$7.2 million of its Capital Reserve Fund, with State building aid reimbursing the District for about 80% of eligible project costs. The issuance of \$15,100,000 bond anticipation notes on July 19, 2023 represented the first borrowing against this authorization. The proceeds of the \$44,800,000 bond anticipation notes issued on July 17, 2024 redeemed and renewed the then-outstanding bond anticipation notes in full, and provided an additional \$29,700,000 in new money for this project.

The District annually issues serial bonds to finance the purchase of buses. The District received voter approval on May 21, 2024 for the purchase of school buses at a cost not to exceed \$1,201,885. The Bonds will provide funds for this purpose.

On May 21, 2024, District voters approved a proposition for a \$15.4 million capital project. The project will include roof replacements, safety and security upgrades and HVAC control upgrades. Each of the six school buildings as well as the transportation center, maintenance building, district office and conference center will be impacted. Construction is anticipated to begin in Spring 2025. Borrowings would occur upon State Education Department approval, and as the project's cash flow needs warrant.

Other than as stated above, the District has no authorized and unissued indebtedness for capital or other purposes.

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 indebtedness of the respective municipalities is outlined in the table below.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Onondaga	10/11/2024 ⁽³⁾	\$ 657,064,561	\$ 399,666,273	\$ 257,398,288	8.33%	\$ 21,441,277
Madison	11/2/2023 ⁽³⁾	44,255,000	975,000	43,280,000	0.02%	8,656
Town of:						
Manlius	12/31/2023 ⁽⁴⁾	60,000	- ⁽⁵⁾	60,000	73.30%	43,980
Pompey	12/31/2023 ⁽⁴⁾	424,000	- ⁽⁵⁾	424,000	54.47%	230,953
Cazenovia	12/31/2023 ⁽⁴⁾	629,010	- ⁽⁵⁾	629,010	0.01%	63
Sullivan	12/31/2023 ⁽⁴⁾	7,058,300	- ⁽⁵⁾	7,058,300	0.09%	6,352
DeWitt	6/23/2023 ⁽³⁾	4,236,592	609,315	3,627,277	3.10%	112,446
Village of:						
Fayetteville	11/30/2023 ⁽³⁾	1,855,000	25,000	1,830,000	100.00%	1,830,000
Manlius	5/31/2023 ⁽⁴⁾	-	- ⁽⁵⁾	-	100.00%	-
Total:						<u>\$ 23,673,727</u>

- ⁽¹⁾ Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- ⁽²⁾ Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- ⁽³⁾ Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- ⁽⁴⁾ Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
- ⁽⁵⁾ Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of November 22, 2024.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 84,791,885	\$ 3,159.63	2.29%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	108,465,612	4,041.80	2.93

(a) The 2022 estimated population of the District is 26,836. (See "THE SCHOOL DISTRICT – District Population" herein.)

(b) The District's full value of taxable real estate for the 2024-25 tax roll is \$3,696,340,130. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) The District's applicable share of net overlapping indebtedness is estimated to be \$23,673,727. (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 Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the Bonds 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 District and the holder thereof. Under current law, provision is made for contract creditors of the 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 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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

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 District may not be enforced by levy and execution against property owned by the District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as counties, towns, cities, and villages, 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.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

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

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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. See "NATURE OF OBLIGATION" and "State Debt Moratorium Law" herein.

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

MARKET AND RISK FACTORS

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

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

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

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

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

TAX MATTERS

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The School District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Bonds 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 Bonds. 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 Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. 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 Bonds.

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 Bonds) 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 Bonds 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 Bonds 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 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent 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 Bonds 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 Bonds. 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 Bonds. Prospective purchasers of the Bonds 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 Bonds are subject to the approving legal opinion of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the forms attached hereto as "APPENDIX – E".

LITIGATION

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

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of bonds or notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of bonds or notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of bonds or 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 Continuing Disclosure, the form of which is attached hereto as "APPENDIX – C".

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

If the Bonds are issued in book-entry-only format, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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 Bonds are not rated.

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

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

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 Bonds.

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, 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 Bonds, 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 Bonds by the District and may not be reproduced or used in whole or in part for any other purpose.

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

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

The District contact information is as follows: Bradley Corbin, Assistant Superintendent for Business Services, 8199 East Seneca Turnpike, Manlius, New York 13104, Phone: (315) 692-1221, Fax: (315) 692-1236, Email: bcorbin@fmschools.org.

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

Dated: November 22, 2024

SARAH FITZGERALD
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>					
Unrestricted Cash	\$ 8,122,660	\$ 8,164,492	\$ 7,004,948	\$ 9,075,514	\$ 11,880,961
Restricted Cash	14,665,600	17,093,923	12,138,594	13,970,859	17,358,881
Due from Other Funds	797,078	1,021,467	996,140	667,965	771,715
Accounts Receivable	163,164	350,421	380,260	423,332	548,007
State and Federal Receivable	363,152	278,496	1,983,927	980,732	1,080,866
Due from Other Governments	775,363	1,091,313	1,190,947	1,358,505	1,269,144
Deferred Expenditures	-	-	-	-	-
Other Receivables	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 24,887,017</u></u>	<u><u>\$ 28,000,112</u></u>	<u><u>\$ 23,694,816</u></u>	<u><u>\$ 26,476,907</u></u>	<u><u>\$ 32,909,574</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 465,445	\$ 634,301	\$ 536,171	\$ 359,304	\$ 1,366,342
Accrued Liabilities	404,701	881,478	807,893	859,494	853,592
Notes Payable	-	-	-	-	-
Bond Interest and Matured Bonds	22,462	9,904	5,089	1,824	-
Due to Other Funds	311,791	115,432	6,611	1,634,919	1,499,160
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System:	385,677	-	-	-	-
- Employee	192,833	231,264	257,540	297,477	349,845
- Employer	2,805,280	3,119,386	3,316,931	3,595,485	3,542,519
Due to New York State	-	-	-	-	-
Due to Employees' Retirement System	-	438,891	305,635	396,552	499,414
Deferred Revenues	-	15	29	27	25
	<u>-</u>	<u>15</u>	<u>29</u>	<u>27</u>	<u>25</u>
TOTAL LIABILITIES	<u><u>\$ 4,588,189</u></u>	<u><u>\$ 5,430,671</u></u>	<u><u>\$ 5,235,899</u></u>	<u><u>\$ 7,145,082</u></u>	<u><u>\$ 8,110,897</u></u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:	14,665,600	17,093,923	12,138,594	13,970,859	17,358,881
Assigned	2,110,127	1,852,889	2,363,090	1,162,294	2,989,603
Unassigned	3,523,101	3,622,629	3,957,233	4,198,672	4,450,193
	<u>20,298,828</u>	<u>22,569,441</u>	<u>18,458,917</u>	<u>19,331,825</u>	<u>24,798,677</u>
TOTAL FUND EQUITY	<u><u>20,298,828</u></u>	<u><u>22,569,441</u></u>	<u><u>18,458,917</u></u>	<u><u>19,331,825</u></u>	<u><u>24,798,677</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 24,887,017</u></u>	<u><u>\$ 28,000,112</u></u>	<u><u>\$ 23,694,816</u></u>	<u><u>\$ 26,476,907</u></u>	<u><u>\$ 32,909,574</u></u>

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	\$ 56,167,635	\$ 58,667,472	\$ 61,171,822	\$ 62,275,614	\$ 63,686,189
Real Property Tax Items	5,645,518	4,927,315	4,422,251	4,060,818	3,848,606
Non-Property Tax Items	149,753	152,678	147,056	187,757	186,222
Charges for Services	162,818	105,279	121,127	111,570	202,771
Use of Money & Property	526,905	455,879	94,516	172,413	1,560,360
Sale of Property and					
Compensation for Loss	205,063	115,207	91,468	83,811	61,924
Miscellaneous	1,026,734	918,702	1,364,539	1,468,294	999,202
Revenues from State Sources	19,113,299	19,578,077	19,906,875	24,100,461	28,110,018
Revenues from Federal Sources	418,756	266,300	393,630	363,148	375,670
Total Revenues	<u>\$ 83,416,481</u>	<u>\$ 85,186,909</u>	<u>\$ 87,713,284</u>	<u>\$ 92,823,886</u>	<u>\$ 99,030,962</u>
Other Sources:					
Interfund Transfers	<u>3,163</u>	<u>881</u>	<u>4,932</u>	<u>2,699,695</u>	<u>545,675</u>
Total Revenues and Other Sources	<u>\$ 83,419,644</u>	<u>\$ 85,187,790</u>	<u>\$ 87,718,216</u>	<u>\$ 95,523,581</u>	<u>\$ 99,576,637</u>
<u>EXPENDITURES</u>					
General Support	\$ 8,140,513	\$ 8,371,463	\$ 8,116,046	\$ 8,814,357	\$ 9,292,682
Instruction	42,627,967	42,749,899	44,435,721	46,603,774	49,157,808
Pupil Transportation	4,276,235	4,330,223	4,000,835	4,707,003	5,483,859
Community Services	15,991	14,094	-	-	-
Employee Benefits	22,009,140	22,783,493	23,994,979	25,356,671	26,417,668
Debt Service	3,082,321	3,188,027	4,069,565	5,928,694	-
Capital Outlay	334,730	333,123	84,151	518,427	6,581,983
Total Expenditures	<u>\$ 80,486,897</u>	<u>\$ 81,770,322</u>	<u>\$ 84,701,297</u>	<u>\$ 91,928,926</u>	<u>\$ 96,934,000</u>
Other Uses:					
Interfund Transfers	<u>565,331</u>	<u>594,139</u>	<u>746,306</u>	<u>7,705,179</u>	<u>1,769,729</u>
Total Expenditures and Other Uses	<u>\$ 81,052,228</u>	<u>\$ 82,364,461</u>	<u>\$ 85,447,603</u>	<u>\$ 99,634,105</u>	<u>\$ 98,703,729</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,367,416</u>	<u>2,823,329</u>	<u>2,270,613</u>	<u>(4,110,524)</u>	<u>872,908</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	15,108,083	17,475,499	20,298,828	22,569,441	18,458,917
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 17,475,499</u>	<u>\$ 20,298,828</u>	<u>\$ 22,569,441</u>	<u>\$ 18,458,917</u>	<u>\$ 19,331,825</u>

Source: Audited Financial Statements of the School District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending June 30:

	2024			2025
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Audited Actual</u>	<u>Adopted Budget</u>
<u>REVENUES</u>				
Real Property Taxes	\$ 70,126,935	\$ 70,126,935	\$ 66,654,427	\$ 72,547,830
Real Property Tax Items	-	-	3,498,001	56,565
Non-Property Tax Items	175,000	175,000	201,760	190,000
Charges for Services	95,000	95,000	251,262	60,000
Use of Money & Property	806,100	806,100	2,344,968	1,120,000
Sale of Property and Compensation for Loss	41,000	41,000	213,892	41,000
Miscellaneous	1,160,000	1,160,000	1,120,916	745,000
Revenues from State Sources	31,928,660	31,928,660	32,334,104	34,012,831
Revenues from Federal Sources/Medicaid Reim.	315,000	315,000	358,877	315,000
Total Revenues	<u>\$ 104,647,695</u>	<u>\$ 104,647,695</u>	<u>\$ 106,978,207</u>	<u>\$ 109,088,226</u>
Other Sources:				
Interfund Transfers	-	-	666,824	-
Use of Debt Reserve	-	-	-	995,000
Use of Employee Benefit Accrued Liability	-	-	-	104,048
Total Revenues and Other Sources	<u>\$ 104,647,695</u>	<u>\$ 104,647,695</u>	<u>\$ 107,645,031</u>	<u>\$ 110,187,274</u>
<u>EXPENDITURES</u>				
General Support	\$ 10,063,404	\$ 10,120,638	\$ 9,075,558	\$ 10,954,907
Instruction	53,326,255	54,087,588	51,792,523	56,457,537
Pupil Transportation	5,475,875	5,729,541	5,477,773	5,804,085
Community Services	-	-	-	-
Employee Benefits	28,129,712	28,140,473	27,338,581	30,161,707
Capital Outlay	-	-	487,209	-
Debt Service	5,901,599	5,901,511	5,899,774	6,296,643
Total Expenditures	<u>\$ 102,896,845</u>	<u>\$ 103,979,751</u>	<u>\$ 100,071,418</u>	<u>\$ 109,674,879</u>
Other Uses:				
Interfund Transfers	<u>2,070,000</u>	<u>2,106,762</u>	<u>2,106,761</u>	<u>1,580,000</u>
Total Expenditures and Other Uses	<u>\$ 104,966,845</u>	<u>\$ 106,086,513</u>	<u>\$ 102,178,179</u>	<u>\$ 111,254,879</u>
Excess (Deficit) Revenues Over Expenditures	<u>(319,150)</u>	<u>(1,438,818)</u>	<u>5,466,852</u>	<u>(1,067,605)</u>
<u>FUND BALANCE</u>				
Fund Balance - Beginning of Year	319,150	1,438,818	19,331,825	1,067,605
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,798,677</u>	<u>\$ -</u>

Source: Audited Financial Statements and budgets (unaudited) of the School District. This Appendix is not itself audited.

APPENDIX - B
Fayetteville-Manlius CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Excluding this Bond Issue			Principal of this Bond Issue	Total Principal All Issues
	Principal	Interest	Total		
2025	\$ 3,727,821	\$ 1,853,562	\$ 5,581,383	\$ -	\$ 3,727,821
2026	3,680,000	1,671,488	5,351,488	211,885	3,891,885
2027	3,690,000	1,513,794	5,203,794	235,000	3,925,000
2028	3,490,000	1,350,191	4,840,191	245,000	3,735,000
2029	3,250,000	1,187,731	4,437,731	250,000	3,500,000
2030	3,160,000	1,032,619	4,192,619	260,000	3,420,000
2031	3,020,000	878,156	3,898,156	-	3,020,000
2032	2,600,000	730,825	3,330,825	-	2,600,000
2033	2,660,000	603,325	3,263,325	-	2,660,000
2034	2,785,000	472,200	3,257,200	-	2,785,000
2035	2,920,000	336,350	3,256,350	-	2,920,000
2036	2,725,000	199,250	2,924,250	-	2,725,000
2037	375,000	68,950	443,950	-	375,000
2038	385,000	53,950	438,950	-	385,000
2039	400,000	40,900	440,900	-	400,000
2040	405,000	27,350	432,350	-	405,000
2041	165,000	13,600	178,600	-	165,000
2042	175,000	7,000	182,000	-	175,000
TOTAL	\$ 39,612,821	\$ 12,041,240	\$ 51,654,061	\$ 1,201,885	\$ 40,814,706

The table above does not include any energy performance contract, capital lease, or installment purchase contract indebtedness, to the extent any such indebtedness may be applicable to the District.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2013 DASNY Capital Project			2016F DASNY Capital Project			2018C DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 455,000	\$ 129,406	\$ 584,406	\$ 535,000	\$ 203,000	\$ 738,000	\$ 135,000	\$ 54,150	\$ 189,150
2026	475,000	111,206	586,206	560,000	176,250	736,250	140,000	47,400	187,400
2027	485,000	96,956	581,956	590,000	148,250	738,250	155,000	40,400	195,400
2028	300,000	82,406	382,406	620,000	118,750	738,750	160,000	32,650	192,650
2029	105,000	73,031	178,031	650,000	87,750	737,750	165,000	24,650	189,650
2030	110,000	69,619	179,619	685,000	55,250	740,250	175,000	16,400	191,400
2031	115,000	65,906	180,906	420,000	21,000	441,000	180,000	9,400	189,400
2032	120,000	62,025	182,025	-	-	-	55,000	2,200	57,200
2033	125,000	57,975	182,975	-	-	-	-	-	-
2034	125,000	53,600	178,600	-	-	-	-	-	-
2035	130,000	48,600	178,600	-	-	-	-	-	-
2036	135,000	43,400	178,400	-	-	-	-	-	-
2037	145,000	38,000	183,000	-	-	-	-	-	-
2038	150,000	32,200	182,200	-	-	-	-	-	-
2039	155,000	26,200	181,200	-	-	-	-	-	-
2040	160,000	20,000	180,000	-	-	-	-	-	-
2041	165,000	13,600	178,600	-	-	-	-	-	-
2042	175,000	7,000	182,000	-	-	-	-	-	-
TOTAL	\$ 3,630,000	\$ 1,031,131	\$ 4,661,131	\$ 4,060,000	\$ 810,250	\$ 4,870,250	\$ 1,165,000	\$ 227,250	\$ 1,392,250

Fiscal Year Ending June 30th	2019 Refunding of 2010 Serial Bonds			2020 Serial Bonds - Buses			2020 DASNY Capital Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 65,000	\$ 1,300	\$ 66,300	\$ 145,000	\$ 2,175	\$ 147,175	\$ 325,000	\$ 267,200	\$ 592,200
2026	-	-	-	145,000	725	145,725	345,000	250,950	595,950
2027	-	-	-	-	-	-	360,000	233,700	593,700
2028	-	-	-	-	-	-	380,000	215,700	595,700
2029	-	-	-	-	-	-	400,000	196,700	596,700
2030	-	-	-	-	-	-	415,000	176,700	591,700
2031	-	-	-	-	-	-	440,000	155,950	595,950
2032	-	-	-	-	-	-	465,000	133,950	598,950
2033	-	-	-	-	-	-	485,000	110,700	595,700
2034	-	-	-	-	-	-	510,000	86,450	596,450
2035	-	-	-	-	-	-	530,000	60,950	590,950
2036	-	-	-	-	-	-	220,000	39,750	259,750
2037	-	-	-	-	-	-	230,000	30,950	260,950
2038	-	-	-	-	-	-	235,000	21,750	256,750
2039	-	-	-	-	-	-	245,000	14,700	259,700
2040	-	-	-	-	-	-	245,000	7,350	252,350
TOTAL	\$ 65,000	\$ 1,300	\$ 66,300	\$ 290,000	\$ 2,900	\$ 292,900	\$ 5,830,000	\$ 2,003,450	\$ 7,833,450

Note: Bonds with no remaining maturities are omitted from this "Appendix - B1" however, may be reflected in the fiscal year totals on "Appendix - B."

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2021B DASNY Capital Project			2021 Serial Bonds - Buses			2022B DASNY Capital Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 145,000	\$ 104,950	\$ 249,950	\$ 145,000	\$ 3,675	\$ 148,675	\$ 1,245,000	\$ 991,750	\$ 2,236,750
2026	145,000	99,150	244,150	145,000	2,225	147,225	1,310,000	929,500	2,239,500
2027	155,000	91,900	246,900	150,000	750	150,750	1,375,000	864,000	2,239,000
2028	165,000	84,150	249,150	-	-	-	1,440,000	795,250	2,235,250
2029	175,000	75,900	250,900	-	-	-	1,515,000	723,250	2,238,250
2030	185,000	67,150	252,150	-	-	-	1,590,000	647,500	2,237,500
2031	195,000	57,900	252,900	-	-	-	1,670,000	568,000	2,238,000
2032	205,000	48,150	253,150	-	-	-	1,755,000	484,500	2,239,500
2033	210,000	37,900	247,900	-	-	-	1,840,000	396,750	2,236,750
2034	215,000	27,400	242,400	-	-	-	1,935,000	304,750	2,239,750
2035	230,000	18,800	248,800	-	-	-	2,030,000	208,000	2,238,000
2036	240,000	9,600	249,600	-	-	-	2,130,000	106,500	2,236,500
TOTAL	\$ 2,265,000	\$ 722,950	\$ 2,987,950	\$ 440,000	\$ 6,650	\$ 446,650	\$ 19,835,000	\$ 7,019,750	\$ 26,854,750

Fiscal Year Ending June 30th	2022 Serial Bonds - Buses			2023 Serial Bonds - Buses		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 180,000	\$ 24,231	\$ 204,231	\$ 212,821	\$ 70,324	\$ 283,145
2026	180,000	17,481	197,481	235,000	36,600	271,600
2027	185,000	10,638	195,638	235,000	27,200	262,200
2028	185,000	3,584	188,584	240,000	17,700	257,700
2029	-	-	-	240,000	6,450	246,450
TOTAL	\$ 730,000	\$ 55,934	\$ 785,934	\$ 1,162,821	\$ 158,274	\$ 1,321,095

Note: Bonds with no remaining maturities are omitted from this "Appendix - B1" however, may be reflected in the fiscal year totals on "Appendix - B."

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided,

- (i) In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Official Statement dated November 22, 2024 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and "APPENDIX – A" and "APPENDIX – B" by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2025, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2025; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (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 Bonds, 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 Bonds, or other material events affecting the tax status of the Bonds
 - (g) modifications to rights of bondholders, if material
 - (h) Bond calls, if material and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds
 - (k) rating changes

- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

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

- (iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

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

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

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024

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

**FAYETTEVILLE-MANLIUS
CENTRAL SCHOOL DISTRICT**

SINGLE AUDIT REPORTING PACKAGE

**AS REQUIRED BY THE UNIFORM GUIDANCE AND
2 CFR section 200.512(c)**

June 30, 2024

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

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FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Fayetteville-Manlius Central School District
Manlius, 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 Fayetteville-Manlius Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fayetteville-Manlius 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 Fayetteville-Manlius Central School District, as of June 30, 2024, and the respective changes in financial position thereof for the year 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 Fayetteville-Manlius 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

Fayetteville-Manlius 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 Fayetteville-Manlius 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 *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fayetteville-Manlius 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 Fayetteville-Manlius 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 management's discussion and analysis, schedule of funding progress other postemployment benefit plans, schedule of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual - general fund, schedule of district contributions and schedule of district's proportionate share of net pension asset (liability) on pages 4-12 and 54-59, respectively, 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 Fayetteville-Manlius Central School District's basic primary government financial statements. The schedule of change from adopted to final budget and the real property tax limit, the schedule of project expenditures – capital projects fund, net investment in capital assets, and the schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on pages 60-62 and page 68, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of change from adopted to final budget and the real property tax limit, the schedule of project expenditures – capital projects fund, net investment in capital assets and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedule of change from adopted to final budget and the real property tax limit, the schedule of project expenditures – capital projects fund, net investment in capital assets, and the schedule of expenditures of federal awards 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 7, 2024 on our consideration of Fayetteville-Manlius 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 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 the Fayetteville-Manlius Central School District's internal control over financial reporting and compliance.

Grossman St Amour CPAs

Syracuse, New York
October 7, 2024

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

Fayetteville-Manlius Central School District (the District) is a K-12 public school District located in Manlius, New York. Generally accepted accounting principles (GAAP) according to Government Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34) require the reporting of two types of financial statements: District Wide Financial Statements and Fund Financial Statements. GASB 34 also requires presentation of the Management's Discussion and Analysis. Management's Discussion and Analysis is intended to be the District's discussion and analysis of the financial results for the fiscal year ended June 30, 2024 based upon currently known facts, decisions, or conditions and both sets of financial statements.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

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

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

Figure A-1
Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities • Reconciliation of governmental fund revenues, expenditures and changes in fund balances to the statement of activities. • Reconciliation of the governmental funds balance sheet to the statement of net position. 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term.	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included.
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.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

District-Wide Statements

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants. Generally, the District is required by New York State General Municipal Law (para.36) to follow the system of accounts formulated and prescribed by the New York State Comptroller.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).
- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, reconciliation schedules are provided on pages 16 and 18 that explain the relationship (or differences) between them.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (all figures in thousands of dollars)

Figures A-2 and A-3 provide a summarized overview of the District's financial status and change for the current fiscal year as of June 30, 2024 and a comparison to fiscal year ended June 30, 2023. Net position decreased by \$1,598 from the prior year.

Figure A-2
Summary of Net Position (in thousands of dollars)

	2024	2023	Increase (Decrease) from Fiscal 2023
Current and Other Assets	\$ 34,054	\$ 32,128	\$ 1,926
Capital Assets	113,438	95,218	18,220
Net Pension Asset	-	-	-
Total Assets	147,492	127,346	20,146
Deferred Outflows of Resources	43,462	55,919	(12,457)
Total Assets and Deferred Outflows of Resources	\$ 190,954	\$ 183,265	\$ 7,689
Total Debt	\$ 58,959	\$ 47,042	\$ 11,917
Other Long-Term Liabilities	215,445	209,938	5,507
Net Pension Liability	7,640	11,376	(3,736)
Other Liabilities	4,563	2,565	1,998
Total Liabilities	286,607	270,921	15,686
Deferred Inflows of Resources	30,291	36,690	(6,399)
Net Position			
Net Investment in Capital Assets	54,494	48,210	6,284
Restricted	17,397	14,014	3,383
Unrestricted Net Deficit	(197,835)	(186,570)	(11,265)
Total Net Position	(125,944)	(124,346)	(1,598)
Total Liabilities, Inflows, and Net Position	\$ 190,954	\$ 183,265	\$ 7,689

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (all figures in thousands of dollars) (continued)

In general, revenues increased but expenses increased slightly more, causing a decrease in Net Position equal to \$1,598.

Figure A-3

Changes in Net Position from Operating Results (in thousands of dollars)

	<u>Governmental Activities</u>		<u>Increase (Decrease) from Fiscal 2023</u>
	<u>2024</u>	<u>2023</u>	
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$ 1,531	\$ 1,438	\$ 93
Operating Grants and Contributions	2,101	2,418	(317)
General Revenues			
Property Taxes	66,654	63,686	2,968
State Formula Aid	32,871	28,667	4,204
Interest Earnings	2,207	1,428	779
Miscellaneous	6,629	6,460	169
Total Revenues	<u>111,993</u>	<u>104,097</u>	<u>7,896</u>
<u>Expenses</u>			
General Support	12,864	12,411	453
Instruction	88,078	80,496	7,582
Pupil Transportation	9,721	9,211	510
Community Service	-	-	-
Debt Service	1,534	1,944	(410)
Cost of Sales - Food	1,394	1,250	144
Total Expenses	<u>113,591</u>	<u>105,312</u>	<u>8,279</u>
(Decrease) Increase in Net Position	<u>\$ (1,598)</u>	<u>\$ (1,215)</u>	<u>\$ (383)</u>

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (all figures in thousands of dollars) (continued)

<u>Figure A-4</u> <u>Capital Assets Net of Depreciation</u>		Change from 2023	
	<u>2024</u>	<u>2023</u>	
Land	\$ 413	\$ 413	\$ -
Construction in Process	23,909	4,232	19,677
Buildings	2,032	5,974	(3,942)
Site Improvements	80,916	79,010	1,906
Equipment and Furniture	2,657	2,614	43
Buses	3,511	2,975	536
Total	<u>\$ 113,438</u>	<u>\$ 95,218</u>	<u>\$ 18,220</u>

Figure A-5 illustrates District Fund Balances.

Fund Balances							
General	Capital Pre Ref	WW 2021 Ref	Capital Special Aid	School Lunch	Special Revenue Funds	Capital Major	Non-
\$ 24,799	\$ -	\$ (17,182)	\$ -	\$ 663	\$ 380	\$ 1,339	

Budget management is evidenced by the District's strong commitment to maintaining the maximum limits for unassigned fund balance. The District also has created and maintained reserves to offset future liabilities that may arise which include tax certiorari, unemployment, and workers' compensation. For 2023-24, the District operations resulted in an unassigned general fund balance of \$4,450. The District assigned \$1,068 of the general fund balance to the 2024-25 budget.

Special Aid Fund consists of District federal grants and special education summer school. Any expenses not covered by special aid fund revenue are covered by the general fund, resulting in a zero fund balance.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (all figures in thousands of dollars) (continued)

The Special Revenue Funds consist of the Extraclassroom fund balance of \$342 and scholarship fund balance of \$38.

The December 2017 Capital Referendum was approved in December 2017 for \$42,000 and includes renovations at Enders Road, High School, Wellwood Middle School and a Districtwide energy performance contract. The District obtained permanent financing in June 2022. This project has been completed.

Capital Projects shows a fund balance of \$1,339. This fund consists principally of approved capital transfer expenditures and school bus purchases. The District, through a vehicle replacement plan combined with inspection reports, determines the required number of school buses each year. Since 2017-18 the District has financed buses through bus bonds. The District will receive one-fifth of the applicable state aid each year based on the current transportation aid ratio.

The December 2021 capital referendum was approved in December 2021 for \$52,000 and includes additions and renovations at the High School. A capital reserve of \$7,200 was used to finance the initial design and preconstruction costs. The negative fund balance of \$17,182 is due to temporary financing and will be offset when the District obtains permanent financing for the project.

The May 2024 capital referendum was approved in May 2024 for \$15,400 and includes HVAC, safety & security upgrades and roofing. This project will affect all six academic buildings as well as the Transportation center, ICC building and District office building.

General Fund Budgetary Highlights

Figure A-6 compares the District's performance for the general fund for both revenues and expenditures.

Figure A-6

General Fund Expenditure and Revenues Analysis for 2023-24 (in thousands of dollars)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Final Actual</u>	<u>Variance Final Budget to Original Budget</u>	<u>Variance Final Actual to Final Budget</u>
<u>Expenses</u>	\$104,967	\$106,087	\$102,178	1.1%	(3.7%)
<u>Revenues</u>	\$104,648	\$104,648	\$107,645	0.0%	2.9%

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (all figures in thousands of dollars) (continued)

Total Expenses

The 1.1% increase from Original Budget to the Final Budget is due to the following:

1. Encumbrances, a routine business cycle item, of \$1,093 were applied for the 2022-23 school year to be paid in the 2023-24 school year. These encumbrances represent orders placed but not billed at the close of the fiscal year.

The final actual expenditure results compared to the final budget shows the final actual being \$3,909 below the final budget. The 3.7% reduced expenditure was principally caused by the following adjustments:

1. Encumbrances, a routine business cycle item, of \$1,922 were applied for the 2023-24 school year to be paid in the 2024-25 school year.
2. Expenditures were favorable to budget due to strategic spending practices.

Capital Asset and Debt Administration

In general, the New York State Legislature has authorized the power and procedure for the District to borrow and incur indebtedness by enactment of the Local Finance Law, subject to the constitutional provisions set forth. For this District, the maximum limit on borrowing is generally capped at 10% of the full valuation of the taxable real property in the District. On September 1, 2023, when property taxes were levied for the 2023-24 school year, that valuation was (in thousands) \$3,293,807 for an approximate statutory debt limit of \$329,381. The District's current outstanding indebtedness is \$54,792 or 1.66%, which is well below statutory requirements.

Factors Bearing on the District's Future

Revenue: The New York State Legislature has enacted legislation that has established a "property tax cap" which limits the increase in the tax levy based upon calculation factors in growth in taxable value and inflation (CPI). This limitation could severely limit the amount of tax levy that the district can collect. However, the District continues to see growth in taxable values, which allows for increases in the tax levy without major effect on tax rates. New York State has fully funded the District for foundation aid.

Expenditures: The District continues to employ a conservative budgeting practice, which includes funding for contingency spending in case of significant and unforeseen expenditures arising during the course of the fiscal year. For 2024-25 the District does not anticipate any changes in educational program or educational standards nor do we anticipate anything that would adversely affect the strong financial position of the district. Since 30% of the District's revenue is dependent on state aid any future economic downturn that could affect New York State may have a negative effect on school district revenues. Debt service expenditures are budgeted and expected to increase as additional capital projects occur but there has been minimal negative impact on the financial condition of the District primarily due to underspending the annual budget through fiscal restraint and sound business practices.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Management's Discussion & Analysis (MD&A)
For the Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (all figures in thousands of dollars) (continued)

Factors Bearing on the District's Future (continued)

School Lunch Fund: An internal audit performed during 2023-24 revealed suspicious purchases. The District immediately began an investigation with assistance from the Manlius Police Department and the school's legal counsel. The investigation led to an employee in a supervisory capacity resigning from the District. The District's legal counsel then contracted with an external certified public accounting firm to conduct a forensic audit of food service activity. The forensic audit firm has identified an estimated value of suspect food purchases. School officials physically recovered equipment with a value of \$6,224 from the former employee with assistance from the Manlius Police Department. The investigation is ongoing and is currently being handled by law enforcement. The District has subsequently reviewed policies and procedures to enhance and develop additional internal controls to help mitigate future risk and fraud opportunities.

Balance Sheet: The District has a healthy balance sheet with adequate reserve funds established to cover future liabilities, including any future litigation against the District. The financial position of the District is still dependent on New York State's financial position. The District established a new voter approved capital reserve fund in May 2023 to help offset the local share of any future capital projects and to reduce the amount to be financed.

Enrollment: The District's enrollment has been fairly consistent over the past several years in the District.

Contacting the District's Financial Management

This financial report is designed to provide our residents, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Fayetteville-Manlius Central School District, Manlius, New York.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

ASSETS	
Cash	
Unrestricted	\$ 13,475,334
Restricted	17,396,755
Receivables	
State and federal aid	1,286,662
Due from other governments	1,269,144
Other	558,255
Inventories	67,501
Capital assets, net	113,438,086
Total assets	<u>147,491,737</u>
DEFERRED OUTFLOWS OF RESOURCES	
Other postemployment benefits	23,967,688
Pensions	19,494,126
Total assets and deferred outflows of resources	<u><u>\$ 190,953,551</u></u>
LIABILITIES	
Payables	
Accounts payable	\$ 3,591,697
Accrued liabilities	884,369
Notes payable	
Bond anticipation	15,100,000
Deferred credits	
Deferred revenue	86,503
Long-term liabilities	
Due and payable within one year	
Bonds payable	3,727,821
Due to employees retirement system	499,414
Due to teachers' retirement system - employee	349,845
Due to teachers' retirement system - employer	3,542,519
Compensated absences payable	233,775
Other postemployment benefits payable	9,843,406
Due and payable after one year	
Bonds payable	35,885,000
Compensated absences payable	2,832,242
Other postemployment benefits payable	198,143,847
Premium on bond refunding	4,246,710
Net pension liability - proportionate share	7,639,554
Total liabilities	<u>286,606,702</u>
DEFERRED INFLOWS OF RESOURCES	
Other postemployment benefits	26,254,154
Deferred amount on defeasance	15,000
Pensions	4,022,222
Total deferred inflows of resources	<u>30,291,376</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	54,493,555
Restricted	17,396,755
Unrestricted deficit	<u>(197,834,837)</u>
Total net position	<u>(125,944,527)</u>
Total liabilities and net position	<u><u>\$ 190,953,551</u></u>

See notes to basic financial statements

FAYETTEVILLE-MANLIUS 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 Assets
			Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS					
General support	\$ (9,436,070)	\$ (3,427,994)	\$ -	\$ -	\$ (12,864,064)
Instruction	(59,405,239)	(28,672,742)	251,262	1,773,153	(86,053,566)
Pupil transportation	(6,444,610)	(3,275,874)	-	-	(9,720,484)
Employee benefits	(35,376,610)	35,376,610	-	-	-
Debt service	(1,534,684)	-	-	-	(1,534,684)
School lunch program	(1,393,802)	-	1,279,305	328,109	213,612
Total functions and programs	<u>\$ (113,591,015)</u>	<u>\$ -</u>	<u>\$ 1,530,567</u>	<u>\$ 2,101,262</u>	<u>(109,959,186)</u>
GENERAL REVENUES					
Real property taxes					\$ 66,654,427
Other tax items					3,498,001
Nonproperty taxes					201,760
Use of money and property					2,344,968
Sale of property and compensation for loss					213,892
Miscellaneous					2,217,812
State sources					32,871,216
Medicaid reimbursement					<u>358,877</u>
Total general revenues					<u>108,360,953</u>
Change in net assets					(1,598,233)
Total net position - beginning of year					<u>(124,346,294)</u>
Total net position - end of year					<u>\$ (125,944,527)</u>

See notes to basic financial statements

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2024

	Major Funds		Non-Major					Total
	General	Capital 2021 Referendum	Special Aid	School Lunch	Other Special Revenue Funds	Capital Dec 2017 Referendum	Capital Projects	Governmental Funds
ASSETS								
Cash								
Unrestricted	\$ 11,880,961	\$ 618,186	\$ 1,074	\$ 632,109	342,420	\$ -	\$ 584	\$ 13,475,334
Restricted	17,358,881	-	-	-	37,874	-	-	17,396,755
Receivables								
Due from other funds	771,715	-	-	149,370	-	-	1,499,160	2,420,245
Accounts receivable	548,007	-	-	10,248	-	-	-	558,255
State and federal aid	1,080,866	-	192,853	12,943	-	-	-	1,286,662
Due from other governments	1,269,144	-	-	-	-	-	-	1,269,144
Prepaid expenditures	-	-	-	-	-	-	-	-
Inventories	-	-	-	67,501	-	-	-	67,501
Total assets	<u>\$ 32,909,574</u>	<u>\$ 618,186</u>	<u>\$ 193,927</u>	<u>\$ 872,171</u>	<u>\$ 380,294</u>	<u>\$ -</u>	<u>\$ 1,499,744</u>	<u>\$ 36,473,896</u>
LIABILITIES								
Payables								
Accounts payable	\$ 1,366,342	\$ 2,059,605	\$ 12,705	\$ 1,727	\$ -	\$ -	\$ 151,318	\$ 3,591,697
Accrued liabilities	853,592	-	698	30,079	-	-	-	884,369
Due to other funds	1,499,160	640,313	168,947	102,455	-	-	9,370	2,420,245
Bond interest and matured bonds	-	-	-	-	-	-	-	-
Due to employees' retirement system	499,414	-	-	-	-	-	-	499,414
Due to teachers' retirement system - employee	349,845	-	-	-	-	-	-	349,845
Due to teachers' retirement system - employer	3,542,519	-	-	-	-	-	-	3,542,519
Notes payable								
Bond anticipation	-	15,100,000	-	-	-	-	-	15,100,000
Deferred credits:								
Deferred revenues	25	-	11,577	74,901	-	-	-	86,503
Total liabilities	<u>8,110,897</u>	<u>17,799,918</u>	<u>193,927</u>	<u>209,162</u>	<u>-</u>	<u>-</u>	<u>160,688</u>	<u>26,474,592</u>
FUND BALANCES								
Nonspendable:								
Reserve for inventory	-	-	-	67,501	-	-	-	67,501
Restricted For:								
Reserved for debt service	1,030,522	-	-	-	-	-	-	1,030,522
Reserved for tax certiorari	2,407,084	-	-	-	-	-	-	2,407,084
Reserved for state and local retirement system contributions	1,843,995	-	-	-	-	-	-	1,843,995
Reserved for teacher's retirement system contributions	2,717,804	-	-	-	-	-	-	2,717,804
Reserved for employee benefit accrued liabilities	3,066,017	-	-	-	-	-	-	3,066,017
Reserved for liability claims	2,818,628	-	-	-	-	-	-	2,818,628
Reserved for worker's compensation	1,660,459	-	-	-	-	-	-	1,660,459
Reserved for unemployment insurance	28,140	-	-	-	-	-	-	28,140
Reserved for capital - 2023	1,786,232	-	-	-	-	-	-	1,786,232
Restricted for scholarships	-	-	-	-	37,874	-	-	37,874
Committed To:								
Committed fund balance	-	-	-	-	342,420	-	-	342,420
Assigned To:								
Assigned appropriated fund balance	1,067,605	(17,181,732)	-	-	-	-	1,339,056	(14,775,071)
Assigned unappropriated fund balance	1,921,998	-	-	595,508	-	-	-	2,517,506
Unassigned:								
Unassigned fund balance	4,450,193	-	-	-	-	-	-	4,450,193
Total fund balances	<u>24,798,677</u>	<u>(17,181,732)</u>	<u>-</u>	<u>663,009</u>	<u>380,294</u>	<u>-</u>	<u>1,339,056</u>	<u>9,999,304</u>
Total liabilities and fund balances	<u>\$ 32,909,574</u>	<u>\$ 618,186</u>	<u>\$ 193,927</u>	<u>\$ 872,171</u>	<u>\$ 380,294</u>	<u>\$ -</u>	<u>\$ 1,499,744</u>	<u>\$ 36,473,896</u>

See notes to basic financial statements

FAYETTEVILLE-MANLIUS 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
ASSETS				
Cash				
Unrestricted	\$ 13,475,334	\$ -	\$ -	\$ 13,475,334
Restricted	17,396,755	-	-	17,396,755
Accounts receivable	558,255	-	-	558,255
Due from other funds	2,420,245	-	(2,420,245)	-
Due from other governments	2,555,806	-	-	2,555,806
Prepaid expenditures	-	-	-	-
Inventories	67,501	-	-	67,501
Land, buildings and equipment (net)	-	113,438,086	-	113,438,086
Total assets	\$ 36,473,896	\$ 113,438,086	\$ (2,420,245)	\$ 147,491,737
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	-	23,967,688	-	23,967,688
Pensions	-	19,494,126	-	19,494,126
Total assets and deferred outflows of resources	\$ 36,473,896	\$ 156,899,900	\$ (2,420,245)	\$ 190,953,551
LIABILITIES				
Accounts payable	\$ 3,591,697	\$ -	\$ -	\$ 3,591,697
Accrued liabilities	884,369	-	-	884,369
Bonds payable	-	39,612,821	-	39,612,821
Bond anticipation notes payable	15,100,000	-	-	15,100,000
Due to other funds	2,420,245	-	(2,420,245)	-
Due to employee's retirement system	499,414	-	-	499,414
Due to teachers' retirement system - EE	349,845	-	-	349,845
Due to teachers' retirement system - ER	3,542,519	-	-	3,542,519
Deferred credits:				
Deferred revenue	86,503	-	-	86,503
Compensated absences	-	3,066,017	-	3,066,017
Postemployment benefits	-	207,987,253	-	207,987,253
Premium on bond refunding	-	4,246,710	-	4,246,710
Net pension liability-proportionate share	-	7,639,554	-	7,639,554
Total liabilities	26,474,592	262,552,355	(2,420,245)	286,606,702
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	-	26,254,154	-	26,254,154
Defeasance gain	-	15,000	-	15,000
Pensions	-	4,022,222	-	4,022,222
FUND EQUITY\NET POSITION				
Total fund equity/net position (deficit)	9,999,304	(135,943,831)	-	(125,944,527)
Total liabilities, inflows and equity	\$ 36,473,896	\$ 156,899,900	\$ (2,420,245)	\$ 190,953,551

See notes to basic financial statements

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024

	Major Funds		Non-Major Funds					Total Governmental Funds
	General	Capital 2021 Referendum	Special Aid	School Lunch	Other Special Revenue Funds	Capital Dec 2017 Referendum	Capital Projects	
REVENUES								
Real property taxes	\$ 66,654,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,654,427
Other tax items	3,498,001	-	-	-	-	-	-	3,498,001
Nonproperty taxes	201,760	-	-	-	-	-	-	201,760
Charges for services	251,262	-	-	-	-	-	-	251,262
Use of money and property	2,344,968	-	-	-	-	-	-	2,344,968
Sale of property and compensation for loss	213,892	-	-	-	-	-	-	213,892
Miscellaneous	1,120,916	512,220	-	16,039	587,379	1,177	1,065	2,238,796
State sources	32,334,104	-	465,985	7,167	-	-	63,960	32,871,216
Medicaid reimbursement	358,877	-	-	-	-	-	-	358,877
Federal sources	-	-	1,773,153	205,133	-	-	-	1,978,286
Surplus food	-	-	-	122,976	-	-	-	122,976
Sales - school lunch	-	-	-	1,279,305	-	-	-	1,279,305
Total revenues	106,978,207	512,220	2,239,138	1,630,620	587,379	1,177	65,025	112,013,766
EXPENDITURES								
General support	9,075,558	-	-	-	-	-	-	9,075,558
Instruction	51,792,523	-	2,225,069	-	-	-	-	54,017,592
Pupil transportation	5,477,773	-	101,683	-	-	-	-	5,579,456
Employee benefits	27,338,581	-	17,286	274,711	-	-	-	27,630,578
Debt service								
Principal	3,936,070	-	-	-	-	-	-	3,936,070
Interest	1,963,704	-	-	-	-	-	-	1,963,704
Cost of sales	-	-	-	701,267	-	-	-	701,267
Other expenditures	-	-	-	692,535	552,464	-	-	1,244,999
Capital outlay	487,209	20,813,560	1,862	56,781	-	-	2,942,014	24,301,426
Total expenditures	100,071,418	20,813,560	2,345,900	1,725,294	552,464	-	2,942,014	128,450,650
Excess (deficiency) of revenues Over expenditures	6,906,789	(20,301,340)	(106,762)	(94,674)	34,915	1,177	(2,876,989)	(16,436,884)
OTHER FINANCING SOURCES AND USES								
Bond proceeds	-	-	-	-	-	-	1,162,821	1,162,821
Interfund transfers	666,824	-	106,762	-	-	-	2,000,000	2,773,586
Operating transfers (out)	(2,106,761)	(512,220)	-	-	-	(15,837)	(138,768)	(2,773,586)
Total other sources (uses)	(1,439,937)	(512,220)	106,762	-	-	(15,837)	3,024,053	1,162,821
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	5,466,852	(20,813,560)	-	(94,674)	34,915	(14,660)	147,064	(15,274,063)
Fund balances - beginning of year	19,331,825	3,631,828	-	757,683	345,379	14,660	1,191,992	25,273,367
Fund balances - end of year	\$ 24,798,677	\$ (17,181,732)	\$ -	\$ 663,009	\$ 380,294	\$ -	\$ 1,339,056	\$ 9,999,304

See notes to basic financial statements

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in
Fund Balances 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
REVENUES					
Real property taxes	\$ 66,654,427	\$ -	\$ -	\$ -	\$ 66,654,427
Other tax items	3,498,001	-	-	-	3,498,001
Nonproperty taxes	201,760	-	-	-	201,760
Charges for services	251,262	-	-	-	251,262
Use of money and property	2,344,968	-	-	-	2,344,968
Sale of property and compensation for loss	\$ 213,892	\$ -	\$ -	\$ -	\$ 213,892
Miscellaneous	2,238,796	-	(20,984)	-	2,217,812
State sources	32,871,216	-	-	-	32,871,216
Medicaid reimbursement	358,877	-	-	-	358,877
Federal sources	1,978,286	-	-	-	1,978,286
Surplus food	122,976	-	-	-	122,976
Sales - school lunch	1,279,305	-	-	-	1,279,305
Total revenues	112,013,766	-	(20,984)	-	111,992,782
EXPENDITURES\EXPENSES					
General support	9,075,558	-	360,512	-	9,436,070
Instruction	54,017,592	-	4,835,183	-	58,852,775
Pupil transportation	5,579,456	-	865,154	-	6,444,610
Employee benefits	27,630,578	3,234,490	-	4,511,542	35,376,610
Debt service	5,899,774	-	-	(4,365,090)	1,534,684
Cost of sales	701,267	-	-	-	701,267
Other expenditures	1,244,999	-	-	-	1,244,999
Capital outlay	24,301,426	-	(24,301,426)	-	-
Total expenditures	128,450,650	3,234,490	(18,240,577)	146,452	113,591,015
Excess (deficiency) of revenues over expenditures	(16,436,884)	(3,234,490)	18,219,593	(146,452)	(1,598,233)
OTHER SOURCES AND USES					
Bond proceeds	1,162,821	-	-	(1,162,821)	-
Operating transfers in	2,773,586	(2,773,586)	-	-	-
Operating transfers (out)	(2,773,586)	2,773,586	-	-	-
Total other sources (uses)	1,162,821	-	-	(1,162,821)	-
Net change for the year	\$ (15,274,063)	\$ (3,234,490)	\$ 18,219,593	\$ (1,309,273)	\$ (1,598,233)

See notes to basic financial statements

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Certain Significant Accounting Policies

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine 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, GASB 61, The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39, GASB Statement 80 - Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14, GASB No. 84 Fiduciary Activities and GASB No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 AND NO. 84, and a Supersession of GASB Statement No. 32. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds:

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

B) Joint venture:

The District is a component district in Onondaga Cortland Madison Board of Cooperative Education Services (OCMBOCES). 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. There are 23 participating school districts, including Fayetteville-Manlius, in OCMBOCES.

The participation in OCMBOCES is accounted for as a joint venture by the District since it has both an ongoing financial interest and an ongoing financial responsibility to OCMBOCES. The District has an ongoing financial interest since OCMBOCES pays surpluses to the component districts on an annual basis, although the District has no equity interest in OCMBOCES. The District does not control the financial or operating policies of OCMBOCES; however, it has an ongoing financial responsibility since the continued existence of OCMBOCES depends on continued funding from the participating school districts.

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 are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n (a) of the New York State General Municipal Law.

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

During the year, the District was billed \$7,939,334 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,820,321. Financial statements for the BOCES are available from the OCMBOCES administrative office at 6820 Thompson Road, Syracuse, New York 13221-4754. As of June 30, 2023 (the most recent available audited financial statements), OCMBOCES has a total net position (deficit) of \$(190,871,739).

The District contracts with OCMBOCES whereby the contracts convey control of the right to use the underlying assets in the contracts for a period of time in an exchange like transaction. These contracts at inception, have terms ranging from 4 to 5 years and are for technology and other equipment. These contracts are not significant to these financial statements and are recognized as an outflow of resources in accordance with the terms and conditions of the contracts.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

C) Basis of presentation:

i) District-wide financial statements:

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

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. 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.

ii) Fund financial statements:

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

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

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

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

School Lunch Fund: Used to account for transactions of the lunch and breakfast programs.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

Other Special Revenue Funds:

Extraclassroom Activities: Used to account for funds of the students of the District that are committed for use by student organizations.

Expendable Trust: Used to account for trust arrangements in which principal and income benefit annual third-party awards and scholarships for students, which is restricted for such use.

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

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

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

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, under which revenues are recognized when measurable and available. The District generally considers revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year as it matches the liquidation of related obligations.

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

E) Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1, 2023 and become a lien on August 31, 2023. Taxes were collected during the period September 5, 2023 to October 31, 2023. Uncollected real property taxes are subsequently enforced by Onondaga and Madison Counties, in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

F) Restricted resources:

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

G) Inter-fund transactions:

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

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

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

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

I) Cash and investments:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value.

J) Accounts receivable:

Accounts receivable 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) Inventories and prepaid items:

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventorial 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 amount is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

L) Other assets/restricted assets:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants. In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

M) Capital assets:

Capital assets, except for technology equipment, are reported at actual cost for acquisitions subsequent to June 30, 1999. Assets acquired prior to July 1, 1999 and technology equipment are reported at estimated historical cost based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received. Land and construction in process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$1,000	Straight Line	50 yrs.
Building improvements	1,000	Straight Line	20 yrs.
Site improvements	1,000	Straight Line	20 yrs.
Furniture and equipment	1,000	Straight Line	5-15 yrs.

N) Deferred revenue:

The District reports deferred revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, deferred 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 the resources, the liability for deferred revenue is removed and recognized.

O) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district has four items that qualifies for 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's contributions to the pension systems (TRS and ERS Systems) and OPEB 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.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

O) Deferred outflows and inflows of resources (continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four 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 revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of net changes of assumptions or other inputs.

P) Vested employee benefits:

Compensated absences consist of unpaid accumulated annual sick leave and vacation. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and position. Some earned benefits may be forfeited if not taken within varying time periods.

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

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

Q) Other benefits:

Eligible District employees participate in the New York State and Local Employees' Retirement System or the New York State Teachers' Retirement System. District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

Q) Other benefits (continued)

The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure. For the year ended June 30, 2024 the District recognized \$5,684,575 for its share of insurance premiums for currently enrolled retirees.

R) Short-term debt:

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

S) 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 post-employment 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.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

T) Fund Balance Classifications

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

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

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

Non-spendable 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. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$67,501.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, 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 School District has established the following restricted fund balances at June 30, 2024:

General Fund:

Reserved for Debt Service	\$ 1,030,522
Reserved for Tax Certiorari	2,407,084
Reserved for State and Local Retirement System Contribution	1,843,995
Reserved for Teacher's Retirement System Contributions	2,717,804
Reserved for Employee Benefit Accrued Liabilities	3,066,017
Reserved for Liability Claims	2,818,628
Reserved for Workers' Compensation	1,660,459
Reserved for Unemployment Insurance	28,140
Reserved for Capital - 2023	1,786,232

Special Revenue Funds:

Restricted for Scholarships	37,874
	<u>\$ 17,396,755</u>

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

The following restricted funds are available to school districts within the State of New York:

Capital Reserve Fund

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

Debt Service Reserve Fund

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

Employee Benefit Accrued Liability Reserve Fund

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

Insurance Reserve Fund

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

Liability Claims and Property Loss Reserve Fund

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

Repair Reserve Fund

According to General Municipal Law §6-d, expenditures made from the repair reserve fund 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. This reserve is accounted for in the General Fund.

Retirement Contributions

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

Tax Certiorari Reserve Fund

According to Education Law §3651.1-a, funds must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that 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 proceedings 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. This reserve is accounted for in the General Fund.

Unemployment Insurance Payment Reserve Fund

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

Workers' Compensation Reserve Fund

According to General Municipal Law §6-j, all expenditures made from the worker's compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year. Encumbrances held by the District at June 30, 2024 totaled \$1,921,998.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The School District has \$342,420 in committed fund balances as of June 30, 2024 for student deposits of the extra classroom fund.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$1,921,998. The School Lunch Fund also reports assigned fund balance of \$595,508. The District's General Fund encumbrances were classified as follows:

General support	\$ 449,946
Instruction	1,075,133
Pupil transportation	45,975
Employee benefits	350,944
	<u>\$ 1,921,998</u>

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation. See supplemental schedule #5 for more information.

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 sources. 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.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

Order of Use of Fund Balance:

The District's policy is to apply expenditures against non-spendable 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, non-spendable 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, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U) 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.

V) 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.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

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

- 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.

Note 2 – Explanation of Certain Differences Between Governmental Fund Statements and District-Wide Statements

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits. This reconciliation is performed on page 16.

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 18.

i) Long-term revenue and expense differences:

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

ii) Capital related differences:

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 2 – Explanation of Certain Differences Between Governmental Fund Statements and District-Wide Statements
(continued)

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) OPEB differences:

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

Note 3 – Stewardship, Compliance and Accountability

Budgets

The District administration prepares a proposed budget for approval by the Board of Education, which in turn is either approved or disapproved by eligible voters in the school district. The voters of the District approved the proposed appropriation budget for the General Fund on May 16, 2023.

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

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

The General Fund is the only fund with a legally approved budget by the voters of the District for the fiscal year. 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.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 3 – Stewardship, Compliance and Accountability (continued)

Encumbrances

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

The Capital 2021 Referendum Fund has a deficit fund balance of (\$17,181,732). This will be funded when the District obtained permanent financing for its current construction project.

Note 4 – Cash and Cash Equivalents

Total financial institution bank balances at year-end, per the bank, were \$31,114,558. These deposits are insured or collateralized with securities held by the financial institution in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$17,358,881 within the general fund and \$37,874 in the special revenue funds.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2024 all deposits were fully insured and collateralized by the District's agent in the District's name. The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District. The District has \$2,267,590 of money market investments as of June 30, 2024 which are considered cash and cash equivalents for financial reporting purposes.

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

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

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 4 – Cash and Cash Equivalents (continued)

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. 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 28, 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 \$15,696,791 (\$15,081,532 general fund and \$615,259 capital projects fund) which are included in cash and cash equivalents. Financial statements, independently audited, of NYCLASS are available from NYCLASS at www.newyorkclass.org.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 5 – Capital Assets

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 412,900	\$ -	\$ -	\$ 412,900
Construction in progress	4,231,828	21,368,309	(1,691,114)	23,909,023
Total nondepreciable historical cost	4,644,728	21,368,309	(1,691,114)	24,321,923
Capital assets that are depreciated:				
Buildings	49,054,207	-	-	49,054,207
Site Improvements	109,478,200	1,059,211	1,679,519	112,216,930
Buses	9,723,296	1,288,575	(1,140,170)	9,871,701
Furniture and equipment	8,333,830	585,331	(425,841)	8,493,320
Total depreciable historical cost	176,589,533	2,933,117	113,508	179,636,158
Less: accumulated depreciation:				
Buildings	43,080,626	3,941,190	-	47,021,816
Site Improvements	30,468,175	844,034	(11,595)	31,300,614
Buses	6,747,744	740,832	(1,127,606)	6,360,970
Furniture and equipment	5,719,223	534,793	(417,421)	5,836,595
Total accumulated depreciation	86,015,768	6,060,849	(1,556,622)	90,519,995
Total depreciable historical cost, net	\$ 95,218,493	\$ 18,240,577	\$ (20,984)	\$ 113,438,086
Depreciation expense was charged to governmental functions as follows:				
Administrative services		\$ 256,464		
Regular Instruction		4,186,734		
Special education instruction		600,416		
Pupil services		48,033		
Operating & maintenance of plant		104,048		
Pupil transportation		865,154		
		\$ 6,060,849		

Note 6 – Short-Term Debt

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN Maturing 7/18/2024 at 4.75%	\$ -	\$ 15,100,000	\$ -	\$ 15,100,000

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 7 – Long-Term Debt Obligations

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

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

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

Interest paid	\$ 1,965,528
Less interest accrued in the prior year	(1,824)
Plus interest accrued in the current year	-
Total expense	<u>\$ 1,963,704</u>

In October 2019, certain general obligation bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The liability for the defeased bonds, \$80,000, and the trust account assets are not included in the financial statements.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 7 – Long-Term Debt Obligations (continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities:					
Bonds and notes payable:					
General obligation debt:					
2013 issue	\$ 4,065,000	\$ -	\$ 435,000	\$ 3,630,000	\$ 455,000
2016 issue	4,570,000	-	510,000	4,060,000	535,000
2018 issue	1,295,000	-	130,000	1,165,000	135,000
2018 Bus issue	135,000	-	135,000	-	-
2019 Bus issue	280,000	-	140,000	140,000	140,000
Refunded 2010 issue	445,000	-	380,000	65,000	65,000
2020 issue	6,140,000	-	310,000	5,830,000	325,000
2020 Bus issue	430,000	-	140,000	290,000	145,000
2021 issue	2,405,000	-	140,000	2,265,000	145,000
2021 Bus Bond	580,000	-	140,000	440,000	145,000
2022 Revenue Bonds	21,020,000	-	1,185,000	19,835,000	1,245,000
2023 Bus Bond	886,070	-	156,070	730,000	180,000
2024 Bus Bond	-	1,162,821	-	1,162,821	212,821
Lease-purchase obligation	135,000	-	135,000	-	-
 Total bonds and notes payable	 42,386,070	 1,162,821	 3,936,070	 39,612,821	 3,727,821
Other liabilities:					
Due to employee's retirement system	396,552	499,414	396,552	499,414	499,414
Due to teachers' retirement system - employee	297,477	349,845	297,477	349,845	349,845
Due to teachers' retirement system - employer	3,595,485	3,542,519	3,595,485	3,542,519	3,542,519
Compensated absences	2,985,044	3,066,017	2,985,044	3,066,017	233,775
Other post-employment benefits payable	202,663,934	14,160,007	8,836,688	207,987,253	9,843,406
Net pension liability	11,375,564	-	3,736,010	7,639,554	-
Premium on bond refunding	4,655,730	-	409,020	4,246,710	-
Total other liabilities	225,969,786	21,617,802	20,256,276	227,331,312	14,468,959
 Total long-term liabilities	 \$ 268,355,856	 \$ 22,780,623	 \$ 24,192,346	 \$ 266,944,133	 \$ 18,196,780

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 7 – Long-Term Debt Obligations (continued)

The following is a schedule of bonds outstanding at June 30, 2024:

	Date of Original Issue	Original Amount	Maturity Date	Interest Rate	Balance June 30, 2024
2013 Serial Bond	6/13/2013	7,610,000	6/15/2042	3.00%-4.00%	\$ 3,630,000
2016 Serial Bond	6/15/2016	7,440,000	6/15/2031	5.00%	4,060,000
2018 Serial Bond	6/7/2018	1,835,000	6/15/2032	4.00%-5.00%	1,165,000
2018 Bus Bond	7/16/2018	639,005	6/15/2023	2.50%-2.625%	-
2019 Bus Bond	7/15/2019	675,137	7/15/2024	1.85%-2.00%	140,000
2019 Refunding Bond	10/22/2019	2,715,000	4/15/2025	1.50%-5.00%	65,000
2020 Serial Bonds	6/17/2020	6,885,000	6/15/2040	3.00%-5.00%	5,830,000
2020 Bus Bond	9/15/2020	681,556	9/15/2025	1.00%	290,000
2021 Serial Bonds	6/16/2021	2,600,000	6/15/2036	4.00%-5.00%	2,265,000
2021 Bus Bond	10/15/2021	713,659	10/15/2026	.875%-1.00%	440,000
2022 Revenue Bonds	6/15/2022	21,835,000	6/15/2036	5.00%	19,835,000
2023 Bus Bond	10/18/2022	886,070	4/15/2028	3.625%-3.875%	730,000
2024 Bus Bond	10/16/2023	1,162,821	10/15/2028	4.00%-5.375%	1,162,821
					<u>\$ 39,612,821</u>

The following is a summary of the maturity of long-term indebtedness:

Fiscal year ended June 30,	Serial Bonds		Total
	Principal	Interest	
2025	\$ 3,727,821	\$ 1,853,562	\$ 5,581,383
2026	3,680,000	1,671,487	5,351,487
2027	3,690,000	1,513,794	5,203,794
2028	3,490,000	1,350,190	4,840,190
2029	3,250,000	1,187,731	4,437,731
5 subsequent years: 2030 - 2034	14,225,000	3,717,125	17,942,125
5 subsequent years: 2035 - 2039	6,805,000	699,400	7,504,400
5 subsequent years: 2040 - 2044	745,000	47,950	792,950
Totals	<u>\$ 39,612,821</u>	<u>\$ 12,041,239</u>	<u>\$ 51,654,060</u>

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 8 – Interfund Balances and Activity

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 771,715	\$ 1,499,160	\$ 666,824	\$ 2,106,762
Special Aid Funds	-	168,947	106,762	-
School Lunch Fund	149,370	102,455	-	-
Capital Funds	1,499,160	649,683	2,000,000	666,824
Total government activities	<u>\$ 2,420,245</u>	<u>\$ 2,420,245</u>	<u>\$ 2,773,586</u>	<u>\$ 2,773,586</u>

The District typically transfers from the General Fund to the Capital Fund to help fund capital renovations and additions. The district also transfers from the General Fund to the Special Aid fund to fund the local portion of the Special Education Summer School Program. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

Note 9 - Unrestricted Net Position

Unrestricted net position in the general fund consist of the following at June 30, 2024:

Designated for subsequent year's expenditures	\$ 1,067,605
Reserve for encumbrances	1,921,998
Unreserved	4,450,193
Total unrestricted net position general fund	<u>\$ 7,439,796</u>

Note 10 – Pension Plans

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS).

Plan Description and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing multiple employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 10 – Pension Plans (continued)

Teachers' Retirement System (TRS) (continued)

Benefits can be changed for future members only by enactment of a Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

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

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

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

	NYSTRS	NYSERS
2021-2022	\$ 3,311,079	\$ 1,643,847
2022-2023	3,595,485	1,287,546
2023-2024	3,542,519	1,586,208

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 10 – Pension Plans (continued)

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of June 30, 2023 for TRS and March 31, 2024 for ERS. 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:

	ERS	TRS
Actuarial valuation date	4/1/2023	6/30/2022
Net pension asset/(liability)	\$ (5,476,018)	\$ (2,163,536)
District's portion of the Plan's total net pension asset/(liability)	0.0371910%	0.1891890%

For the year ended June 30, 2024, the District's recognized pension expense of \$6,145,140 for TRS and \$2,595,185 for ERS.

At June 30, 2024, the District has reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources ERS	Deferred outflow of resources TRS	Deferred inflow of resources ERS	Deferred inflow of resources TRS
Differences between expected and actual experience	\$ 1,763,821	\$ 5,245,999	\$ 149,317	\$ 12,965
Changes of assumption	2,070,360	4,658,029	-	1,015,192
Net difference between projected and actual earnings on pension plan investments	-	1,105,957	2,675,006	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	516,625	240,373	41,098	128,644
District's contribution subsequent to the measurement date	-	3,892,962	-	-
Total	<u>\$ 4,350,806</u>	<u>\$ 15,143,320</u>	<u>\$ 2,865,421</u>	<u>\$ 1,156,801</u>

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 10 – Pension Plans (continued)

District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2025 for ERS and June 30, 2024 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	ERS	TRS
2024	\$ -	\$ 916,830
2025	(817,855)	(1,083,669)
2026	1,156,276	8,717,499
2027	1,685,758	666,250
2028	(538,794)	542,596
Thereafter	-	334,050
	<u>\$ 1,485,385</u>	<u>\$ 10,093,556</u>

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. 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	5.90%	6.95%
Salary increases	4.40%	1.95%-5.18%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP2021. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study completed April 1, 2020.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 10 – Pension Plans (continued)

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

The long-term 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.

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

	ERS		TRS	
	Target Allocation	Long-term expected Real rate of return	Target Allocation	Long-term expected Real rate of return
	2024	2024	2023	2023
Asset type				
Domestic equity	32%	4.00%	33.00%	6.80%
International equity	15%	6.65%	15.00%	7.60%
Real estate	9%	4.60%	11.00%	6.30%
Private equities	10%	7.25%	9.00%	10.10%
Domestic fixed income securities	0%	0.00%	16.00%	2.20%
Global fixed income securities	0%	0.00%	2.00%	1.60%
Credit	4%	5.40%	0.00%	0.00%
High-yield fixed income securities	23%	1.50%	1.00%	4.40%
Private debt	0%	0.00%	2.00%	6.00%
Real estate debt	0%	0.00%	6.00%	3.20%
Opportunistic portfolio	3%	5.25%	0.00%	0.00%
Cash	1%	0.25%	1.00%	0.30%
Global equities	0%	0.00%	4.00%	7.20%
Real assets	3%	5.79%	0.00%	0.00%
	<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.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 10 – Pension Plans (continued)

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 6.95% for TRS and 5.90% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2024 calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, 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 (5.95% for TRS and 4.90% for ERS) or 1 percentage point higher (7.95% for TRS and 6.90% for ERS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (17,217,161)	\$ (5,476,018)	\$ 4,330,272
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (32,951,750)	\$ (2,163,536)	\$ 23,730,684

Changes of Assumptions

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

Collective Pension Expense

Collective 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 for the year ended June 30, 2024 is \$6,345,061,000 for ERS and \$3,249,497,237 for TRS.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 10 – Pension Plans (continued)

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS covered 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 \$3,892,364.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. 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 covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$499,414 of employer contributions.

Note 11 – Postemployment (Health Insurance) Benefits

A. General information about the plan and benefits

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

Funding Policy – The obligation of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 5 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2024, approximately \$5,685,000 was paid on behalf of retirees.

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.

Employees Covered by Benefit Terms – At June 30, 2024 the following employees were covered by the benefit terms:

Retirees and Survivors	520
Active employees	<u>700</u>
	<u>1,220</u>

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 11 – Postemployment (Health Insurance) Benefits (continued)

B. Total OPEB Liability

The District's total OPEB liability of \$207,987,253 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

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

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.65%
Healthcare Cost Trend Rates:	
Medical	7.80% for 2024, decreasing to 3.94% by 2093
Dental	2.00%
Vision	1.00%

The Discount rate was based on the Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the Pub-2010 Mortality Table for employees, sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Retirement participation rate assumed that 100% of eligible employees will elect to participate in medical and dental coverage at retirement age, and 60% will elect vision coverage. Teachers and Administrators and 100% of participants other than Teachers and Administrators will elect medical and dental coverage at retirement age. The participation rate assumed that 90% of Teachers and Administrators will include spouse coverage, while spouses of participants other than Teachers and Administrators are assumed to participate at a rate of 50% for medical and dental coverage, and 60% for vision coverage. It is assumed that 70% of retirees will be married at the time of their retirement. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption. Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 11 – Postemployment (Health Insurance) Benefits (continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 202,663,934
Changes for the Year:	
Service cost	6,833,852
Interest	7,326,155
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(3,748,225)
Benefit payments	<u>(5,088,463)</u>
Net changes	<u>5,323,319</u>
Balance at June 30, 2024	<u><u>\$ 207,987,253</u></u>

Changes in assumptions and other inputs reflects a change in the discount rate from 3.54% in 2023 to 3.65% in 2024.

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%) or 1 percentage point higher (4.65%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 245,889,407</u>	<u>\$ 207,987,253</u>	<u>\$ 177,896,126</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

Healthcare	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 172,766,664</u>	<u>\$ 207,987,253</u>	<u>\$ 253,987,459</u>

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 11 – Postemployment (Health Insurance) Benefits (continued)

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$9,843,406. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,619,536	\$ 5,373,419
Changes of assumptions or other inputs	14,935,315	20,880,735
Contributions subsequent to the measurement period	5,412,837	-
	<u>\$ 23,967,688</u>	<u>\$ 26,254,154</u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	\$ (456,874)
2026	777,597
2027	(2,910,628)
2028	(3,808,104)
2029	(1,192,123)
Thereafter	(109,171)
	<u>\$ (7,699,303)</u>

Note 12 – Risk Management

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.

The District incurs costs related to an employee health insurance plan (plan). The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of two years; a member may withdraw from the plan after that time by providing written intent to withdraw on or before May 1st of the commencement of the school year for which the withdrawal is intended to be effective. The Central New York Health Insurance consortium has thirty (30) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a pro-rata supplemental assessment in the event of deficiencies.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 12 – Risk Management (continued)

If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. All plan cash accounts are collateralized by securities held by the financial institution where deposits are made. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount.

Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling \$19,843,795 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

The District incurs costs related to an employee workers' compensation plan. The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of two years; a member may withdraw from the plan after that time by submitting written notice prior to January 31st effective the next June 30th. The Onondaga Cortland Madison Workers' Compensation Consortium includes thirty-one (31) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

The District's share of the Consortium's outstanding case reserves that includes estimates of future payments totals \$1,660,459 as of June 30, 2024. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately \$422,000 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

Note 13 – Donor-Restricted Endowments

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships. Donor-restricted endowments are reported at fair value. The District authorizes expenditures from donor-restricted endowments, when applicable, in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 14 – Commitments and Contingent Liabilities

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 audits, the district's administration believes disallowances, if any, will be immaterial.

New York State Education Law requires that most capital projects require approval by the New York Office of Facilities Planning. New York State provides building aid for certain type of capital projects undertaken by school districts. Building aid is subject to numerous reporting requirements. The failure to adhere to these reporting requirements could lead to the refund of building aid already received and the loss of future aid on these particular capital projects. Building aid represents a significant source of financing for the Districts' financing of such projects and any loss or refund of building aid could have a significant impact on these financial statements.

Several tax certiorari actions are pending against the District for reductions in the assessment value of various properties. Management believes that the likelihood of a reduction is probable. Provisions for losses for those cases are recorded as long-term liabilities. The District plans on funding any settlements from the Tax Certiorari Reserve, and/or future appropriations.

The majority of the District's employees are covered by various collective bargaining agreements. The Fayetteville-Manlius Teacher's Association represents the largest percentage of employees covered by a collective bargaining agreement. Employees represented by this agreement include teachers, department chairpersons/team leaders, school counselors, librarians, school psychologists, social workers, registered nurses, occupational therapists, physical therapists and speech therapists. This agreement is through June 30, 2026. The district has additional collective bargaining agreements in place with different expiration dates.

Note 15 – Subsequent Events

Management has evaluated subsequent events through October 7, 2024, which is the date the financial statements were available to be issued. On July 17, 2024, the District issued \$44,800,000 in bond anticipation notes at an interest rate of 4.500% maturing on July 17, 2025. The proceeds were used to pay the \$15,100,000 bond anticipation note and the remaining proceeds are being used to pay construction costs.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Funding Progress
Other Postemployment Benefits
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Measurement date	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB liability	\$ 207,987,253	\$ 202,663,934	\$ 214,992,369	\$ 204,429,335	\$ 171,541,210	\$ 165,731,550	\$ 178,212,604
Service cost	6,833,852	7,742,272	7,859,973	5,431,175	5,626,937	5,907,525	7,686,685
Interest	7,326,155	4,716,436	4,643,489	6,121,762	6,556,858	6,565,351	5,734,503
Changes in benefit terms	-	-	(230,970)	(918,361)	(366,332)	228,677	-
Differences between expected and actual experience in the measurement	-	5,351,370	-	(12,840,915)	-	(20,068,530)	-
Changes in assumptions or other inputs	(3,748,225)	(25,457,606)	2,643,830	39,224,235	(2,146,553)	(1,615,505)	(27,086,466)
Benefit payments	(5,088,463)	(4,680,907)	(4,353,288)	(4,129,771)	(3,861,250)	(3,498,572)	(3,292,083)
Net change in total OPEB liability	5,323,319	(12,328,435)	10,563,034	32,888,125	5,809,660	(12,481,054)	(16,957,361)
Total OPEB liability - beginning	202,663,934	214,992,369	204,429,335	171,541,210	165,731,550	178,212,604	195,169,965
Total OPEB liability - ending	<u>\$ 207,987,253</u>	<u>\$ 202,663,934</u>	<u>\$ 214,992,369</u>	<u>\$ 204,429,335</u>	<u>\$ 171,541,210</u>	<u>\$ 165,731,550</u>	<u>\$ 178,212,604</u>
Covered payroll	50,871,699	48,651,665	45,684,065	\$ 44,837,765	\$ 44,268,754	\$ 41,502,998	\$ 41,209,768
Total OPEB liability as a percentage of covered payroll	409%	417%	471%	456%	387%	399%	432%

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

FAYETTEVILLE-MANLIUS 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)	Final Budget Variance with Budgetary Actual
REVENUES				
Local sources				
Real property taxes	\$ 70,126,935	\$ 70,126,935	\$ 70,152,428	\$ 25,493
Nonproperty taxes	175,000	175,000	201,760	26,760
Charges for services	95,000	95,000	251,262	156,262
Use of money and property	806,100	806,100	2,344,967	1,538,867
Sale of property and compensation for loss	41,000	41,000	213,892	172,892
Miscellaneous	1,160,000	1,160,000	1,120,917	(39,083)
Total local sources	72,404,035	72,404,035	74,285,226	1,881,191
State sources	31,928,660	31,928,660	32,334,104	405,444
Medicaid reimbursement	315,000	315,000	358,877	43,877
Total revenues	104,647,695	104,647,695	106,978,207	2,330,512
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	666,824	666,824
Designated for subsequent year expenditures	-	-	-	-
Total revenues and other Financing sources	\$ 104,647,695	\$ 104,647,695	\$ 107,645,031	\$ 2,997,336

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	\$ 66,895	\$ 58,950	\$ 41,361	\$ 330	\$ 17,259
Central administration	347,871	367,610	345,780	-	21,830
Finance	1,117,121	922,913	879,135	14,975	28,803
Staff	460,795	514,182	482,618	23,742	7,822
Central services	7,346,145	7,504,891	6,666,266	406,194	432,431
Special items	724,577	752,092	735,597	4,705	11,790
Total general support	10,063,404	10,120,638	9,150,757	449,946	519,935
Instruction					
Administration and improvement	3,667,370	3,699,431	3,561,771	480	137,180
Teaching - regular school	32,909,771	32,685,248	31,560,472	605,330	519,446
Programs for students with disabilities	7,995,907	8,109,517	7,594,734	466,190	48,593
Teaching - special schools	208,147	182,525	163,503	-	19,022
Instructional media	3,939,207	4,197,979	4,176,684	677	20,618
Pupil services	4,605,853	5,212,888	5,069,343	2,457	141,088
Total instruction	\$ 53,326,255	\$ 54,087,588	\$ 52,126,507	\$ 1,075,134	\$ 885,947

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

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

Pupil transportation	\$ 5,475,875	\$ 5,729,541	\$ 5,555,799	\$ 45,975	\$ 127,767
Employee benefits	28,129,712	28,140,473	27,338,581	350,944	450,948
Debt service	<u>5,901,599</u>	<u>5,901,511</u>	<u>5,899,774</u>	<u>-</u>	<u>1,737</u>
Total expenditures	102,896,845	103,979,751	100,071,418	1,921,999	1,986,334
OTHER FINANCING USES					
Transfer to other funds	<u>2,070,000</u>	<u>2,106,762</u>	<u>2,106,761</u>	<u>-</u>	<u>1</u>
Total expenditures and other uses	<u>104,966,845</u>	<u>106,086,513</u>	<u>102,178,179</u>	<u>\$ 1,921,999</u>	<u>\$ 1,986,335</u>
Net change in fund balance	(319,150)	(1,438,818)	5,466,852		
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>19,331,825</u>		
Fund balance - ending	<u>\$ (319,150)</u>	<u>\$ (1,438,818)</u>	<u>\$ 24,798,677</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Schedule of District Contributions
For the year ended June 30, 2024

	<i>Teachers' Retirement System</i>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,542,519	\$ 3,595,485	\$ 3,311,079	\$ 3,119,386	\$ 2,805,280	\$ 3,327,020	\$ 3,026,713	\$ 4,016,868	\$ 5,123,299	\$ 4,667,512
Contributions in relation to the contractually required contribution	<u>3,542,519</u>	<u>3,595,485</u>	<u>3,311,079</u>	<u>3,119,386</u>	<u>2,805,280</u>	<u>3,327,020</u>	<u>3,026,713</u>	<u>4,016,868</u>	<u>5,123,299</u>	<u>4,667,512</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 36,296,301	\$ 34,941,545	\$ 33,786,520	\$ 32,732,281	\$ 31,662,299	\$ 31,327,872	\$ 30,018,618	\$ 30,175,399	\$ 28,882,241	\$ 26,610,673
Contributions as a percentage of covered payroll	10%	10%	10%	10%	9%	11%	10%	13%	18%	18%
	<i>Employees' Retirement System</i>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,586,208	\$ 1,287,546	\$ 1,643,847	\$ 1,549,570	\$ 1,488,451	\$ 1,418,175	\$ 1,385,753	\$ 1,402,601	\$ 1,630,005	\$ 1,725,018
Contributions in relation to the contractually required contribution	<u>1,586,208</u>	<u>1,287,546</u>	<u>1,643,847</u>	<u>1,549,570</u>	<u>1,488,451</u>	<u>1,418,175</u>	<u>1,385,753</u>	<u>1,402,601</u>	<u>1,630,005</u>	<u>1,725,018</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,142,135	\$ 11,859,760	\$ 10,776,700	\$ 11,208,058	\$ 10,735,899	\$ 10,047,627	\$ 11,191,150	\$ 11,040,321	\$ 9,491,777	\$ 10,975,012
Contributions as a percentage of covered payroll	12%	11%	15%	14%	14%	14%	12%	13%	17%	16%

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Schedule of District's Proportionate Share of the Net Pension Asset (Liability)
For the year ended June 30, 2024

Teachers' Retirement System										
	2024	2023	2022	2021	2020	2019	2018	(as restated) 2017	2016	2015
District's proportion of the net pension asset (liability)	0.189189%	0.191057%	0.192847%	0.186664%	0.187686%	0.189607%	0.190452%	0.187170%	0.018719%	1.858390%
District's proportionate share of the net pension asset (liability)	\$ (2,163,536)	\$ (3,666,173)	\$ 33,418,498	\$ (5,158,025)	\$ 4,876,100	\$ 3,428,592	\$ 1,447,627	\$ (2,006,205)	\$ 23,273,012	\$ 25,630,495
District's covered payroll	\$ 36,296,301	\$ 34,941,545	\$ 33,786,520	\$ 32,732,281	\$ 31,662,299	\$ 31,327,872	\$ 30,018,618	\$ 30,175,399	\$ 28,882,241	\$ 26,610,673
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	-6%	-10%	99%	-16%	15%	11%	5%	-7%	81%	96%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
Employees' Retirement System										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.0371910%	0.0359512%	0.0326881%	0.0337670%	0.0318449%	0.0327287%	0.0306827%	0.0317576%	0.0326664%	3.2748100%
District's proportionate share of the net pension asset (liability)	\$ (5,476,018)	\$ (7,709,391)	\$ 2,672,120	\$ (33,623)	\$ (8,432,720)	\$ (2,318,927)	\$ (990,267)	\$ (2,984,016)	\$ (5,243,052)	\$ (1,106,306)
District's covered payroll	\$ 13,142,135	\$ 11,859,760	\$ 10,776,700	\$ 11,208,058	\$ 10,735,899	\$ 10,047,627	\$ 11,191,150	\$ 11,040,321	\$ 9,491,777	\$ 10,975,012
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	41.7%	65.0%	24.8%	0.3%	79%	23%	9%	27%	55%	10%
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%	97.90%

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Schedule of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit
For the Year Ended June 30, 2024

CHANGE FROM ADOPTED TO FINAL BUDGET

Adopted budget	\$ 104,966,845
Add: prior year's encumbrances	<u>1,093,144</u>
Original budget	106,059,989
Budget revision:	
Athletic Gate Proceeds	
Home School Association gifts for playground equipment	
Appropriation of Capital Reserve	
Appropriation of Tax Certiorari Reserve	<u>26,524</u>
Revised budget	<u><u>\$ 106,086,513</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget	
Maximum allowed (4% of 2024-2025 budget)	\$ 111,254,879
General Fund-Fund Balance Subject to 1318 of Real Property Tax Law *:	
Unrestricted fund balance:	
Assigned fund balance	\$ 2,989,603
Unassigned fund balance	<u>4,450,193</u>
Total unrestricted fund balance	<u>7,439,796</u>
Less:	
Appropriated fund balance	1,067,605
Encumbrances included in committed and assigned fund balance	<u>1,921,998</u>
Total adjustments	<u>2,989,603</u>
General Fund-Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 4,450,193</u></u>
Actual percentage	4.00%

* 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.

Fayetteville-Manlius Central School District
Schedule of Project Expenditures -
Capital Projects Fund
For the Year Ended June 30, 2024

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2024
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
December 2021 Ref											
Alterations: High School (and pre-ref)	\$ 52,000,000	\$ 52,000,000	\$ 3,568,172	\$ 20,813,560	\$ 24,381,732	\$ 27,618,268	\$ -	\$ -	\$ 7,200,000	\$ 7,200,000	\$ (17,181,732)
December 2017 Ref											
Alterations: Wellwood (and pre-ref WW)	34,166,061	34,166,061	34,474,451	-	34,474,451	(308,390)	23,901,869	-	10,572,582	34,474,451	-
	<u>34,166,061</u>	<u>34,166,061</u>	<u>34,474,451</u>	<u>-</u>	<u>34,474,451</u>	<u>(308,390)</u>	<u>23,901,869</u>	<u>-</u>	<u>10,572,582</u>	<u>34,474,451</u>	<u>-</u>
Non-Major											
Bus Purchase 23-24 Bond	1,182,121	1,162,821	-	1,162,821	1,162,821	-	1,162,821	-	-	1,162,821	-
2022/23 Capital Transfer Projects-Fay El Air Cond	1,395,000	1,389,560	452,853	900,988	1,353,841	35,719	-	-	1,389,560	1,389,560	35,719
2022/23 Capital Transfer Projects-Enders Entrance	105,000	110,440	18,310	83,056	101,366	9,074	-	-	110,440	110,440	9,074
SAM Grant Baseball Field	200,000	200,000	137,968	55,417	193,385	6,615	-	193,385	-	193,385	-
Eagle Hill Emerg-Exhaust Hood	200,000	200,000	79,650	106,441	186,091	13,909	-	-	186,091	186,091	-
2023/24 Capital Transfer Project-Mott Rd	2,000,000	2,000,000	72,445	633,292	705,737	1,294,263	-	-	2,000,000	2,000,000	1,294,263
	<u>5,082,121</u>	<u>5,062,821</u>	<u>761,226</u>	<u>2,942,015</u>	<u>3,703,241</u>	<u>1,359,580</u>	<u>1,162,821</u>	<u>193,385</u>	<u>3,686,091</u>	<u>5,042,297</u>	<u>1,339,056</u>
Totals	<u>\$ 91,248,182</u>	<u>\$ 91,228,882</u>	<u>\$ 38,803,849</u>	<u>\$ 23,755,575</u>	<u>\$ 62,559,424</u>	<u>\$ 28,669,458</u>	<u>\$ 25,064,690</u>	<u>\$ 193,385</u>	<u>\$ 21,458,673</u>	<u>\$ 46,716,748</u>	<u>\$ (15,842,676)</u>

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

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT
Net Investment in Capital Assets
For the Year Ended June 30, 2024

Capital assets, net		\$ 113,438,086
Add:		
Savings on old bond defeasement		15,000
Deduct:		
Bond anticipation notes	(15,100,000)	
Premium on bond refunding	(4,246,710)	
Short-term portion of bonds payable	(3,727,821)	
Long-term portion of bonds payable	(35,885,000)	
Total deductions		<u>(58,959,531)</u>
Investment in capital assets, net of related debt		<u><u>\$ 54,493,555</u></u>

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



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Board of Education
Fayetteville-Manlius Central School District
Manlius, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fayetteville-Manlius Central School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Fayetteville-Manlius Central School District's basic financial statements and have issued our report thereon dated October 7, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Grossman St Amour CPAs

Syracuse, New York

October 7, 2024



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Education
Fayetteville-Manlius Central School District
Manlius, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fayetteville-Manlius Central School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Fayetteville-Manlius Central School District's major federal programs for the year ended June 30, 2024. Fayetteville-Manlius Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Fayetteville-Manlius Central School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fayetteville-Manlius Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fayetteville-Manlius Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fayetteville-Manlius Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Grossman St Amour CPAs

Syracuse, New York
October 7, 2024

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2024

	<u>Federal CFDA Number</u>	<u>Pass-through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Current Year Expenditures</u>
U.S. Department of Agriculture:				
(Passed through the State Department of Education) (Grantor's No. 251601060000)				
Child Nutrition Cluster:				
National School Breakfast Program	10.553			\$ 23,239
National School Lunch Program	10.555			168,846
National School Lunch Program (Food Distribution)	10.555			122,976
National Special Milk Program	10.556			<u>13,048</u>
Total Child Nutrition Cluster and total U.S. Department of Agriculture				<u>328,109</u>
U.S. Department of Education:				
(Passed through the State Department of Education) (Grantor's No. 251601060000)				
IDEA, Part B Cluster				
Special Education-Grants to States (IDEA, B)	84.027A	0032-24-0649		985,495
Special Education-Preschool Grants (IDEA, Preschool)	84.173A	0033-24-0649		15,510
Special Education-Grants to States (IDEA, B) - American Rescue Plan	84.027X	5532-22-0649		9,197
Special Education-Preschool Grants (IDEA, Preschool) - American Rescue Plan	84.173X	5533-22-0649		<u>10,061</u>
Total IDEA, Part B Cluster				1,020,263
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010A	0021-24-2135		191,367
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010A	0021-23-2135		2,276
Improving Teacher Quality State Grants (Title II, A)	84.367A	0147-24-2135		99,623
Education Stabilization Funds				
Coronavirus Response & Relief Supplemental Appropriations Act (CRRSA) ESSER 2	84.425D	5891-21-2135		6,024
American Rescue Plan (ARP) Universal Pre-K	84.425U	5870-24-9093		<u>453,600</u>
Total Education Stabilization Funds				459,624
Total U.S. Department of Education				<u>1,773,153</u>
Total Expenditures of Federal Awards				<u>\$ 2,101,262</u>

The accompanying notes are an integral part of the schedule

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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

The accompanying schedule of expenditures of federal awards is a summary of the activity of Fayetteville-Manlius Central School District's federal award programs and presents transactions that are included in the financial statements of the District presented on the modified accrual basis of accounting, as required by accounting principles generally accepted in the United States of America.

2. Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is a summary of the activity of Fayetteville-Manlius Central School District's federal award programs and presents transactions that are included in the financial statements of the District presented on the modified accrual basis of accounting, as required by accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data provided. Fayetteville-Manlius Central School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Food Distribution

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted approximately \$123,000 of commodities under the National School Lunch Program (CFDA 10.555) for the June 30, 2024 fiscal year.

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

Summary of Audit Results

For the year ended June 30, 2024

I. Summary of Audit Results

Financial Statements

Type of auditor's report issued:

unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not considered to be a material weakness?

_____ Yes X None reported

Noncompliance material to the financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not considered to be a material weakness?

_____ Yes X None reported

Type of auditor's report issued on compliance for major programs:

unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

Name of Federal Program or Cluster

CFDA Number(s)

Special Education Cluster (IDEA)

84.027A, 84.173A, 84.027X, 84.173X

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

FAYETTEVILLE-MANLIUS CENTRAL SCHOOL DISTRICT

**Schedule Findings and Questioned Costs
For the year ended June 30, 2024**

Section II. Financial Statement Findings

None reported

Section III. Federal Award Findings and Questioned Costs

None reported

Section IV. Prior Year Findings

There were no findings in the fiscal year ended June 30, 2023.

APPENDIX – E

FORM OF OPINION OF BOND COUNSEL

December 17, 2024

Fayetteville-Manlius Central School District
8199 East Seneca Turnpike
Manlius, NY 13104

Re: Fayetteville-Manlius Central School District
\$1,201,885 School District (Serial) Bonds, 2024 CUSIP No:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$1,201,885 School District (Serial) Bonds, 2024 (the "Bonds"), of the Fayetteville-Manlius Central School District, Counties of Onondaga and Madison, State of New York (the "District"). The Bonds are dated December 17, 2024 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District in respect of the School District (Serial) Bonds, 2024, and a Certificate of Determination dated on or before December 17, 2024 of the President of the Board of Education relative to the form and terms of the Bonds.

In our opinion, the Bonds 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 Bonds and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Bonds 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 Bonds in order that interest on the Bonds 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 Bonds 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 Bonds, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

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

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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds, 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 Bond of said issue and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

TRESPASZ LAW OFFICES, LLP