PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 16, 2025

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item in calculating the alternative minimum tax under the Code; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

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

$7,500,000

RED CREEK CENTRAL SCHOOL DISTRICT

CAYUGA AND WAYNE COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$7,500,000 Bond Anticipation Notes, 2025 Series B

(the "Notes")

Dated: November 6, 2025 **Due: July 8, 2026**

The Notes are general obligations of the Red Creek Central School District, Cayuga and Wayne Counties, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes are not subject to redemption prior to maturity.**

At the option of each Purchaser, the Notes will be issued as book-entry only notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the School District Clerk, in Red Creek, New York. A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about November 6, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on October 23, 2025 until 10:45 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

October __, 2025

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

RED CREEK CENTRAL SCHOOL DISTRICT
CAYUGA AND WAYNE COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

KATHERINE A. MADIGAN
President

STEPHANIE L. KAISER
Vice President

KIMBERLY A. ALLEN
NANCY J. HENNER DINGMAN
CHRISTOPHER L. JOYCE
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* * * * * * *

MATTHEW S. VANORMAN
Superintendent of Schools

DANIELLE DEBIASE
School Business Administrator

SHELBY WHIFFEN
School District Treasurer

BOND, SCHOENECK & KING, PLLC
School District Attorney

ALARIO & FISCHER, P.C.
School District Construction and Capital Project Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

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

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

RED CREEK CENTRAL SCHOOL DISTRICT
CAYUGA AND WAYNE COUNTIES, NEW YORK

Relating To

$7,500,000 Bond Anticipation Notes, 2025 Series B

This Official Statement, which includes the cover page, has been prepared by the Red Creek Central School District, Cayuga and Wayne Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $7,500,000 principal amount of Bond Anticipation Notes, 2025 Series B (the "Notes").

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

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

THE NOTES

Description of the Notes

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

The Notes are dated November 6, 2025 and mature, without option of prior redemption, on July 8, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes are not subject to redemption prior to maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to a bond resolution duly adopted by the Board of Education on January 10, 2024 authorizing a capital project for the purpose of the reconstruction and renovation of, and the construction of improvements and upgrades to District buildings, including but not limited to, pool improvements, roof replacement, fire alarm upgrades, replacement of the Elementary School boiler plant, replacement of the asphalt bus loop and parking areas and playground and athletic field improvements, including necessary site improvements, original furnishings, fixtures and equipment, architectural fees, and incidental costs at a maximum cost of $32,000,000, to be funded with $2,070,473 available District funds, the use of $1,033,445 capital reserve funds, and the issuance of up to $28,896,082 serial bonds.

The District initially issued $7,000,000 bond anticipation notes on July 10, 2025 for this purpose. The proceeds of the Notes will provide an additional $7,500,000 for the project.

NATURE OF THE OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District, with a land area of approximately 60 square miles, is located in upstate New York and is comprised of portions of the Towns of Conquest, Sterling, and Victory in Cayuga County and portions of the Towns of Butler and Wolcott in Wayne County. Centered around the Village of Red Creek, the District is approximately 15 miles southwest of the City of Oswego and approximately 45 miles east of the City of Rochester. The District's northern boundary lies along the southern shore of Lake Ontario. The District is primarily rural and residential in nature.

Major highways within and in close proximity to the District include State Routes 38, 104, 370 and The New York State Thruway.

Water and sewer services are provided to residents by the surrounding municipalities. Electric and gas are provided by Rochester Gas & Electric and Iroquois/Contel. Fire protection is provided by local volunteer fire departments and police protection is provided by County Sheriffs and the New York State Police. There are presently some solar development projects underway in the District.

Source: District officials.

District Population

The District has an estimated population of 5,654. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.)

Larger Employers

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

Employer Name	Type	Number of Employees
Red Creek Central School District	Public Education	215
Fair Haven Beach State Park	State Park	50
The 104 Store	Gas/Grocery	10
Pit Stop	Gas/Grocery	9
Dollar General	Variety Store	9

Note: Agri-Business Child Development, a daycare formerly listed as a larger employer, has announced its intent to cease operations by December 2025.

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Butler	$ 16,471	$ 23,960	$ 28,008	$ 50,750	$ 61,696	$ 86,023
Wolcott	19,750	26,120	30,909	44,123	61,268	72,692
Conquest	24,472	32,117	38,557	56,406	76,932	91,696
Sterling	19,569	32,919	33,479	47,448	51,034	76,333
Victory	18,217	20,827	24,978	53,750	58,911	75,313
Counties of:						
Cayuga	22,959	30,996	36,547	58,761	73,590	85,449
Wayne	24,092	32,513	37,916	60,324	76,002	94,964
State of New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: 2006-2010, 2016-2020, and 2019-2023 5-Year American Community Survey Estimates data.

Unemployment Rate Statistics

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

	Annual Averages							
	2017	2018	2019	2020	2021	2022	2023	2024
Cayuga County	5.0%	4.5%	4.2%	7.7%	4.8%	3.5%	3.5%	3.7%
Wayne County	4.9	4.1	3.8	7.1	4.5	3.2	3.2	3.5
New York State	4.6	4.1	3.9	9.8	7.1	4.3	4.1	4.3

	2025 Monthly Figures									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Cayuga County	4.6%	4.9%	4.3%	3.2%	2.8%	3.0%	3.7%	3.9%	N/A	N/A
Wayne County	4.2	4.6	4.0	3.0	2.7	2.9	3.3	3.6	N/A	N/A
New York State	4.6	4.3	4.1	3.7	3.5	3.8	4.6	4.7	N/A	N/A

Note: Unemployment rates for the months of September and October of 2025 are not available as of the date of this Official Statement.

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

Form of School Government

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

The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures and Recent Budget Votes

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

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

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

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

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 370 yes to 67 no. The adopted budget included a total tax levy increase of 3.8%, which was equal to the District's Tax Cap of 3.8% for the 2024-25 fiscal year.

The District's budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 444 yes to 102 no. The adopted budget called for a total tax levy increase of 3.6%, which was equal to the District's tax levy limit of 3.6%.

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) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 74.72% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 91.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

School district fiscal year (2021-2022): The State's 2021-22 Budget includes $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 includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, 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 are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be 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.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist 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 allocates $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 increases 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 provided $35.9 billion in State funding to school districts for the 2024-25 school year. This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured a school district received at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

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

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

State Aid Litigation

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

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

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.

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:

A breakdown of currently anticipated Foundation Aid funding is available below

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues [(1)]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	$ 21,466,211	$ 15,917,858	74.15%
2021-2022	22,053,992	16,262,569	73.74
2022-2023	22,609,489	16,807,849	74.34
2023-2024	24,165,166	18,197,444	75.30
2024-2025	24,967,666	18,531,060	74.22
2025-2026 (Budgeted)	24,191,943	18,076,981	74.72

(1) Does not include interfund transfers, or appropriated fund balance or reserves, where applicable.

Source: Audited Financial Statements for the 2020-2021 through 2024-2025 fiscal years, and the adopted budget for the 2025-2026 fiscal year. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
M.W. Cuyler Elementary School	K-5	500	1955, '68, '84, ’00, ’07, ’18
Red Creek Junior-Senior High School	6-12	820	1973, '92, ’00. ’07, ’18

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2021-2022	862	2026-2027	750
2022-2023	815	2027-2028	750
2023-2024	801	2028-2029	750
2024-2025	776	2029-2030	750
2025-2026	749	2030-2031	750

Source: District officials.

Employees

The District employs approximately 197 full-time and 18 part-time 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 as follows:

Number	Union	Contract Expiration Date
96	Red Creek Teachers' Association	June 30, 2028
84	CSEA (AFSCME, AFL-CIO)	June 30, 2027
6	Red Creek Administrators’ Association	June 30, 2026

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- 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 actual contributions for the fiscal years 2020-2021 through and including 2024-2025, and budgeted figures for the 2025-2026 fiscal years are as follows:

Fiscal Year	ERS	TRS
2020-2021	$ 310,473	$ 741,178
2021-2022	322,164	763,413
2022-2023	199,738	697,788
2023-2024	337,534	779,385
2024-2025	314,842	791,464
2025-2026 (Budgeted)	375,000	815,000

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 is not currently offering any early retirement incentives, and does not plan to in the foreseeable future.

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

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

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

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 established this reserve on June 17, 2020.

Other Post-Employment Benefits

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

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

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

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

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

Balance beginning at July 1:	2023	2024
Changes for the year:	$ 24,914,806	$ 12,602,665
Service cost	437,419	417,884
Interest	916,789	501,580
Effect of demographic gains or losses	(12,753,675)	-
Changes in assumptions or other inputs	(439,017)	(1,778,762)
Changes of benefit terms	-	-
Benefit payments	(473,657)	(520,451)
Net Changes	$ (12,312,141)	$ (1,379,749)
Balance ending at June 30:	2024	2025
	$ 12,602,665	$ 11,222,916

Source: Audited Financial Statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX – E" attached hereto.

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and is attached hereto as “APPENDIX – E”. 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.

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

New York State Comptroller Reports of Examination

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

There have been no State Comptroller’s audits of the District released within the past five years, nor are there any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included 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 2022 through the 2024 fiscal years of the District are as follows:

Fiscal Year Ending:	Stress Designation	Fiscal Score
2024	No Designation	20.0
2023	No Designation	20.0
2022	No Designation	10.0

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

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

Other Information

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

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

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

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Towns of:					
Butler	$ 20,599,962	$ 23,069,973	$ 24,043,373	$ 24,867,363	$ 30,902,173
Wolcott	84,877,491	105,037,807 (1)	107,672,309	110,111,975	112,165,820
Conquest	309,382 (1)	309,568	309,343	305,940	305,665
Sterling	180,887,662	183,757,226	186,815,946	190,329,887	362,216,099 (1)
Victory	57,623,266	57,565,776	57,723,558	58,183,294	58,472,261
Total Assessed Values	$ 344,297,763	$ 369,740,350	$ 376,564,529	$ 383,798,459	$ 564,062,018
State Equalization Rates					
Towns of:					
Butler	98.00%	100.00%	94.00%	85.00%	100.00%
Wolcott	95.00%	100.00%	92.00%	85.00%	73.00%
Conquest	100.00%	94.00%	80.00%	78.00%	72.00%
Sterling	84.00%	81.00%	64.00%	58.00%	100.00% (1)
Victory	99.00%	92.00%	75.00%	70.00%	65.00%
Taxable Full Valuations					
Towns of:					
Butler	$ 21,020,369	$ 23,069,973	$ 25,578,056	$ 29,255,721	$ 30,902,173
Wolcott	89,344,727	105,037,807 (1)	117,035,118	129,543,500	153,651,808
Conquest	309,382 (1)	329,328	386,679	392,231	424,535
Sterling	215,342,455	226,860,773	291,899,916	328,154,978	362,216,099
Victory	58,205,319	62,571,496	76,964,744	83,118,991	89,957,325
Total Taxable Full Valuation	$ 384,222,253	$ 417,869,376	$ 511,864,513	$ 570,465,421	$ 637,151,940

(1) Significant change from prior year due to town-wide reassessment.

Source: District officials.

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Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Towns of:					
Butler	$ 11.30	$ 10.71	$ 9.31	$ 9.68	$ 7.64
Wolcott	11.66	10.71 [1]	9.51	9.68	10.46
Conquest	12.61 [1]	12.60	12.44	11.85	11.92
Sterling	15.01	14.72	15.55	15.93	8.59 [1]
Victory	12.74	12.96	13.27	13.20	13.21

[1] Significant change from prior year due to town-wide reassessment.

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty-two days after taxes are due, but a 2% penalty is charged From October 3rd to October 31st. After October 31st, uncollected taxes are returnable to Cayuga and Wayne Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said Counties.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Total Tax Levy	$ 4,675,861	$ 4,936,214	$ 4,923,758	$ 5,110,949	$ 5,295,403
Amount Uncollected [1]	326,858	346,611	350,974	338,076	552,720 [2]
% Uncollected	6.99%	7.02%	7.13%	6.61%	10.44%

[1] School District taxes are made whole by the respective County. See "Tax Collection Procedure" herein.
[2] As of October 15, 2025.

Source: District officials.

Real Property Taxes & Tax Items

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

Fiscal Year	Total Revenues [1]	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes & Tax Items
2020-2021	$ 21,466,211	$ 4,601,634	21.44%
2021-2022	22,053,992	4,745,893	21.52
2022-2023	22,609,489	4,847,809	21.44
2023-2024	24,165,166	4,939,940	20.44
2024-2025	24,967,666	5,126,037	20.53
2025-2026 (Budgeted)	24,191,943	5,311,962	21.96

[1] Does not include interfund transfers, or appropriated fund balance or reserves, where applicable.

Source: Audited Financial Statements for the 2020-2021 through 2024-2025 fiscal years, AND the adopted budget for the 2025-2026 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2025 Assessment Roll for 2025-2026 District Tax Roll

Name	Type	Full Valuation
Rochester Gas & Electric	Utility	$ 23,577,553
Bradley Cooper	Marina/Residential/Business	3,240,400
West Bay Estates LLC	Vineyard/Business	3,232,900
Meadow Creek	Business	2,223,927
John Dates	Agriculture	2,055,900
John Sensenig	Residential	1,842,500
Time Warner Cable	Business	1,749,914
SB Marina	Marina	1,531,900
Carroll Grant	Mobile/Business	1,386,500
Anchor Resort Marina	Marina	1,290,300

The ten larger taxpayers listed have a total estimated full valuation of $42,131,794, which represents 6.61% of the tax base of the District for the 2025-2026 fiscal year.

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

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 $107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

The 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The below table lists the basic and enhanced exemption amounts for the 2025-2026 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Butler	$ 86,100	$ 30,000	4/10/2025
Wolcott	73,190	25,500	4/10/2025
Conquest	67,160	23,400	4/10/2025
Sterling	86,100	30,000	4/10/2025
Victory	60,270	21,860	4/10/2025

$513,657 of the District's $5,110,949 school tax levy for the 2024-2025 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2025.

Approximately $515,000 of the District's $5,295,462 school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-65%; Commercial-10%; and Agricultural-25%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the District is approximately $2,000 including County, Village, Town and School 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 and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

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

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

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

Statutory Procedure

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

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

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

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
Bonds	$ 16,745,000	$ 14,960,000	$ 14,410,000	$ 12,525,000	$ 10,525,000
Bond Anticipation Notes	1,555,000	1,525,000	0	0	0
Lease Liabilities (1)	0	5,214	3,739	2,252	9,534
Total Debt Outstanding	$ 18,300,000	$ 16,490,214	$ 14,413,739	$ 12,527,252	$ 10,534,534

(1) In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. See "Lease Liabilities" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of October 16, 2025.

Type of Indebtedness	Maturity	Amount
Bonds	2026-2037	$ 10,525,000
Bond Anticipation Notes		
Capital Improvements Project	June 26, 2026	7,000,000
	Total	$ 17,525,000

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. See "Lease Liabilities" herein.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of October 16, 2025:

Full Valuation of Taxable Real Property			$ 637,151,940
Debt Limit 10% thereof			63,715,194
Inclusions:			
Bonds	$ 10,525,000		
Bond Anticipation Notes (BANs):	7,000,000		
Total Inclusions prior to issuance of the Notes	17,525,000		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	7,500,000		
Total Net Inclusions after issuance of the Notes		$ 25,025,000	
Exclusions:			
State Building Aid (1)	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 25,025,000
Net Debt-Contracting Margin			$ 38,690,194
The percent of debt contracting power exhausted is			39.28%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School 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 2025-26 Preliminary Building Aid Ratios, the School District anticipates State building aid of 91.2% for debt service on SED approved expenditures from July 1, 2004 to the present. The School 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 School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. The table above does not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District. See "Lease Liabilities" herein.

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 revenue anticipation notes and/or tax anticipation notes in the recent past, and does not reasonably expect to issue such notes in the foreseeable future.

Lease Liabilities

The following is a summary of the District's debt service requirements for its lease liabilities as of June 30, 2025:

Fiscal Year	Principal	Interest	Total
2026	$ 2,265	$ 602	$ 2,867
2027	1,625	474	2,099
2028	1,747	352	2,099
2029	1,878	221	2,099
2030	2,019	80	2,099
TOTAL	$ 9,534	$ 1,729	$ 11,263

Source: Audited Financial Statements for the fiscal year ended June 30, 2025.

Capital Project Plans

On December 14, 2023, District voters approved a capital project referendum in the amount of $32,000,000. The District will finance the capital project with the expenditure of $1,033,445 from the capital reserve fund, $2,070,473 of available District funds and the issuance of $28,896,082 of bond anticipation notes and/or serial bonds. The issuance of $7,000,000 bond anticipation notes represented the first borrowing against this authorization. The proceeds of the Notes will provide $7,500,000 in additional new monies for this purpose.

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

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.

Municipality	Status of Debt as of		Gross Indebtedness (1)	Exclusions (2)		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Cayuga	6/30/2025	(3)	$ 9,370,000	$ -		$ 9,370,000	6.17%	$ 578,129
Wayne	6/29/2025	(3)	7,472,000	637,000		6,835,000	2.09%	142,852
Town of:								
Butler	12/31/2024	(4)	-	-	(5)	-	17.76%	-
Wolcott	12/31/2024	(4)	10,762,400	-	(5)	10,762,400	37.67%	4,054,196
Conquest	12/31/2024	(4)	85,115	-	(5)	85,115	0.26%	221
Sterling	12/31/2024	(4)	3,689,000	-	(5)	3,689,000	76.05%	2,805,485
Victory	12/31/2024	(4)	-	-	(5)	-	66.73%	-
Village of:								
Red Creek	5/31/2024	(4)	154,081	-	(5)	154,081	100.00%	154,081
							Total:	$ 7,734,963

(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 October 16, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 25,025,000	$ 4,426.07	3.93%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	32,759,963	5,794.12	5.14

(a) The 2023 estimated population of the District is 5,654. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for the 2025-2026 fiscal year is $637,151,940. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.
(d) Estimated net overlapping indebtedness is $7,734,963. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

The School 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 School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School 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 School District, could have an impact upon the market price of the Notes. See “TAX LEVY LIMITATION LAW” herein.

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

Cybersecurity

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

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 Notice of Material Events Certificate, a description of which is attached hereto as “APPENDIX – C”.

Historical Continuing Disclosure Compliance

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

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D” hereto.

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

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

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

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – D".

LITIGATION

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

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement. (See "APPENDIX – C" herein).

The District does not currently have an assigned underlying rating.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Danielle DeBiase, Business Administrator, 6624 South Street, P.O. Box 190, Red Creek, New York 13143-0190, Phone: (315) 754-2017, Fax: (315) 754-8169, Email: danielle.debiase@rccsd.org.

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

RED CREEK CENTRAL SCHOOL DISTRICT

Dated: October 16, 2025

KATHERINE A. MADIGAN
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
ASSETS					
Cash and Cash Equivalents	$ 6,036,882	$ 6,893,452	$ 5,591,223	$ 2,553,024	$ 5,509,190
Due from Other Funds	1,009,709	787,830	2,484,795	2,972,970	983,589
Prepaid Items	-	300,644	288,683	294,654	307,170
Other Receivables	1,986,764	1,433,685	1,716,209	1,879,021	1,352,313
TOTAL ASSETS	$ 9,033,355	$ 9,415,611	$ 10,080,910	$ 7,699,669	$ 8,152,262
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 173,567	$ 70,596	$ 330,221	$ 168,839	$ 56,982
Accrued Liabilities	16,603	13,584	19,721	8,482	27,848
Notes and Loans Payable	-	-	-	-	-
Due to Other Funds	126,259	-	134,102	454,534	-
Due to Other Governments	147	295	-	-	-
Due to Teachers' Retirement System	708,283	758,593	779,960	866,036	875,004
Due to Employees' Retirement System	88,851	70,350	82,350	102,304	110,073
Compensated Absences	77,940	78,329	50,792	57,024	-
Other Liabilities	-	25	-	45,761	45,592
Unearned Revenue	5,598	12,000	7,000	-	-
Deferred Revenue	50,000	-	-	-	-
TOTAL LIABILITIES	$ 1,247,248	$ 1,003,772	$ 1,404,146	$ 1,702,980	$ 1,115,499
FUND EQUITY					
Nonspendable	$ 620,114	$ 454,581	$ 288,683	$ 294,654	$ 307,170
Restricted	5,111,926	6,048,386	6,522,937	4,138,673	5,273,219
Assigned	1,105,965	941,599	869,887	556,311	454,696
Unassigned	948,102	967,273	995,257	1,007,051	1,001,678
TOTAL FUND EQUITY	$ 7,786,107	$ 8,411,839	$ 8,676,764	$ 5,996,689	$ 7,036,763
TOTAL LIABILITIES and FUND EQUITY	$ 9,033,355	$ 9,415,611	$ 10,080,910	$ 7,699,669	$ 8,152,262

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
REVENUES					
Real Property Taxes & Tax Items	$ 4,484,978	$ 4,601,634	$ 4,745,893	$ 4,847,809	$ 4,939,940
Non-Property Tax Items	164,903	169,369	178,687	171,177	180,119
Charges for Services	63,458	59,907	47,254	83,201	31,432
Use of Money & Property	5,228	645	1,031	40,807	76,744
Sale of Property and Compensation for Loss	31,677	34,076	3,774	31,780	25,302
Interfund Revenues	-	-	-	-	-
Miscellaneous	369,820	376,228	664,553	586,418	662,818
Revenues from State Sources	16,408,023	15,917,858	16,262,569	16,807,849	18,197,444
Revenues from Federal Sources	37,004	306,494	150,231	40,448	51,367
Total Revenues	$ 21,565,091	$ 21,466,211	$ 22,053,992	$ 22,609,489	$ 24,165,166
Other Sources:					
Interfund Transfers	-	-	388	7,052	-
Total Revenues and Other Sources	$ 21,565,091	$ 21,466,211	$ 22,054,380	$ 22,616,541	$ 24,165,166
EXPENDITURES					
General Support	$ 2,096,765	$ 2,386,853	$ 3,104,331	$ 3,058,988	$ 3,171,923
Instruction	10,002,046	9,898,327	9,968,915	10,528,042	11,117,214
Pupil Transportation	1,100,205	927,148	1,164,588	1,154,986	1,332,878
Community Services	-	-	-	-	-
Employee Benefits	4,015,185	4,142,486	4,205,514	4,492,577	5,002,677
Debt Service	2,153,221	2,632,239	2,669,904	2,756,169	2,625,086
Total Expenditures	$ 19,367,422	$ 19,987,053	$ 21,113,252	$ 21,990,762	$ 23,249,778
Other Uses:					
Interfund Transfers	101,411	360,026	315,396	360,854	3,595,463
Total Expenditures and Other Uses	$ 19,468,833	$ 20,347,079	$ 21,428,648	$ 22,351,616	$ 26,845,241
Excess (Deficit) Revenues Over Expenditures	2,096,258	1,119,132	625,732	264,925	(2,680,075)
FUND BALANCE					
Fund Balance - Beginning of Year	4,570,717	6,666,975	7,786,107	8,411,839	8,676,764
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 6,666,975	$ 7,786,107	$ 8,411,839	$ 8,676,764	$ 5,996,689

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2025 Original Budget	2025 Amended Budget	2025 Audited Actual	2026 Adopted Budget
REVENUES				
Real Property Taxes & Tax Items	$ 5,132,249	$ 5,132,249	$ 5,126,037	$ 5,311,962
Non-Property Tax Items	160,000	160,000	193,088	175,000
Charges for Services	61,000	61,000	25,307	98,000
Use of Money & Property	35,500	35,500	194,572	40,000
Sale of Property and Compensation for Loss	3,000	3,000	45,203	15,000
Interfund Revenues	-	-	-	-
Miscellaneous	422,000	425,856	733,323	425,000
Revenues from State Sources	18,323,515	18,323,515	18,531,060	18,076,981
Revenues from Federal Sources	50,000	50,000	119,076	50,000
Total Revenues	$ 24,187,264	$ 24,191,120	$ 24,967,666	$ 24,191,943
Other Sources:				
Appropriated Fund Balance	400,000	400,000	-	400,000
Appropriated Reserves	350,000	730,000	-	350,000
Transfers In	239,000	239,000	296,108	100,000
Prior Year Encumbrances	156,311	156,311	-	-
Total Revenues and Other Sources	$ 25,332,575	$ 25,716,431	$ 25,263,774	$ 25,041,943
EXPENDITURES				
General Support	$ 3,347,684	$ 3,474,707	$ 3,225,802	$ 3,524,960
Instruction	12,313,275	11,991,093	11,427,149	12,596,433
Pupil Transportation	1,493,115	1,543,193	1,270,974	1,413,750
Community Services	-	-	-	-
Employee Benefits	5,342,476	5,342,476	4,951,015	5,699,000
Debt Service	2,487,025	2,627,542	2,627,542	1,692,800
Total Expenditures	$ 24,983,575	$ 24,979,011	$ 23,502,482	$ 24,926,943
Other Uses:				
Planned Balance	-	-	-	-
Interfund Transfers	349,000	737,420	721,218	115,000
Total Expenditures and Other Uses	$ 25,332,575	$ 25,716,431	$ 24,223,700	$ 25,041,943
Excess (Deficit) Revenues Over Expenditures	-	-	1,040,074	-
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	5,996,689	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 7,036,763	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	$ 865,000	$ 526,250	$ 1,391,250
2027	905,000	483,000	1,388,000
2028	955,000	437,750	1,392,750
2029	1,000,000	390,000	1,390,000
2030	1,050,000	340,000	1,390,000
2031	1,105,000	287,500	1,392,500
2032	1,155,000	232,250	1,387,250
2033	1,220,000	174,500	1,394,500
2034	1,280,000	113,500	1,393,500
2035	735,000	49,500	784,500
2036	125,000	12,750	137,750
2037	130,000	6,500	136,500
TOTALS	$ 10,525,000	$ 3,053,500	$ 13,578,500

Note: The table above does not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District. See "Lease Liabilities" herein.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2020 Capital Project - DASNY			2023 Capital Project - DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2026	$ 790,000	$ 465,000	$ 1,255,000	$ 75,000	$ 61,250	$ 136,250
2027	825,000	425,500	1,250,500	80,000	57,500	137,500
2028	870,000	384,250	1,254,250	85,000	53,500	138,500
2029	910,000	340,750	1,250,750	90,000	49,250	139,250
2030	955,000	295,250	1,250,250	95,000	44,750	139,750
2031	1,005,000	247,500	1,252,500	100,000	40,000	140,000
2032	1,055,000	197,250	1,252,250	100,000	35,000	135,000
2033	1,110,000	144,500	1,254,500	110,000	30,000	140,000
2034	1,165,000	89,000	1,254,000	115,000	24,500	139,500
2035	615,000	30,750	645,750	120,000	18,750	138,750
2036	-	-	-	125,000	12,750	137,750
2037	-	-	-	130,000	6,500	136,500
TOTALS	$ 9,300,000	$ 2,619,750	$ 11,919,750	$ 1,225,000	$ 433,750	$ 1,658,750

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note holders, if material; and

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

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

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

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

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

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

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

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

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

FORM OF OPINION OF BOND COUNSEL

November 6, 2025

Red Creek Central School District
6624 South Street
P.O. Box 190
Red Creek, New York 13143-0190

Re: Red Creek Central School District, Cayuga and Wayne Counties, New York
$7,500,000 Bond Anticipation Notes, 2025 Series B CUSIP No.: 756537

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $7,500,000 Bond Anticipation Notes, 2025 Series B (the “Notes”) of Red Creek Central School District, Counties of Cayuga and Wayne, State of New York (the "District"). The Notes are dated November 6, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before July 10, 2025 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the District would materially affect the ability of the 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 District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

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

Very truly yours,

Trespasz Law Offices, LLP

RED CREEK CENTRAL SCHOOL DISTRICT
CAYUGA AND WAYNE COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2025

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.

The District's independent auditor 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. The District's independent auditor also has not performed any procedures relating to this Official Statement.

RED CREEK CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2025

MMB+CO

BUSINESS
ADVISORS
AND CPAS

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Red Creek Central School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Creek Central School District, New York (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

The 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 the 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 49-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and 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 supplementary information as listed in the table of contents and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

As described in Note II to the financial statements, beginning balances of buildings and improvements, machinery and equipment, and associated accumulated depreciation, were restated based on an updated capital asset valuation obtained by the District. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
October 6, 2025

Red Creek Central School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred outflows (what the district owes) exceeded its total assets plus deferred inflows (what the district owns) by $8,779,169 (net position), an increase of $5,803,428 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of $8,279,221, a decrease of $1,786,875 in comparison with the prior year.

General revenues, which include Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, Miscellaneous, accounted for $25,106,974, or 88% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions accounted for $3,530,012, or 12% of total revenues.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

Major Feature of the District-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education, scholarship programs, and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

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

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District’s property tax base and the condition of the school buildings and facilities must also be considered to assess the District’s overall health.

All of the District’s services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District as a Whole

Net position

	Governmental Activities		Total
ASSETS:	**2025**	**2024**	**Variance**
Current and Other Assets	$ 10,666,919	$ 11,411,198	$ (744,279)
Capital Assets	38,310,393	40,098,402	(1,788,009)
Total Assets	**$ 48,977,312**	**$ 51,509,600**	**$ (2,532,288)**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows of Resources	**$ 3,867,994**	**$ 4,944,195**	**$ (1,076,201)**
LIABILITIES:			
Long-Term Debt Obligations	$ 25,685,516	$ 29,392,512	$ (3,706,996)
Other Liabilities	1,161,789	1,314,139	(152,350)
Total Liabilities	**$ 26,847,305**	**$ 30,706,651**	**$ (3,859,346)**
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of Resources	**$ 17,218,832**	**$ 19,084,508**	**$ (1,865,676)**
NET POSITION:			
Net Investment in Capital Assets	$ 26,002,188	$ 25,479,865	$ 522,323
Restricted For:			
Debt Service Reserve	713,028	852,517	(139,489)
Reserve for ERS	1,129,266	941,391	187,875
Reserve for TRS	704,077	561,290	142,787
Employee Benefit Accrued Liability Reserve	790,544	772,805	17,739
Capital Reserve	2,024,278	1,255,534	768,744
Other Purposes	1,075,786	3,959,534	(2,883,748)
Unrestricted	(23,659,998)	(27,160,300)	3,500,302
Total Net Position	**$ 8,779,169**	**$ 6,662,636**	**$ 2,116,533**

Key Variances

- Capital Assets decreased $1,788,009 as a result of a decrease in Buildings and Improvements of $3,899,376 and Machinery and Equipment of $1,020,533 while capital Work in Progress increased by $3,092,118.
- Deferred Outflows of Resources decreased $1,076,201 as a result of a reduction in pension outflow of $779,527 and OPEB of $296,674.
- Long-Term Debt Obligation decreased $3,706,996 as a result of debt repayment, a decrease in the net pension liability, and a reduction in OPEB liability.
- Deferred Inflows of Resources decreased $1,865,676 as a result of a reduction in OPEB of $2,689,372 and increase of pensions by $823,696.

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

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

There were five restricted net position balances, Debt Service Reserve, Reserve for Employee Retirement System, Employee Benefit Accrued Liability Reserve, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of $23,659,998.

Changes in Net position

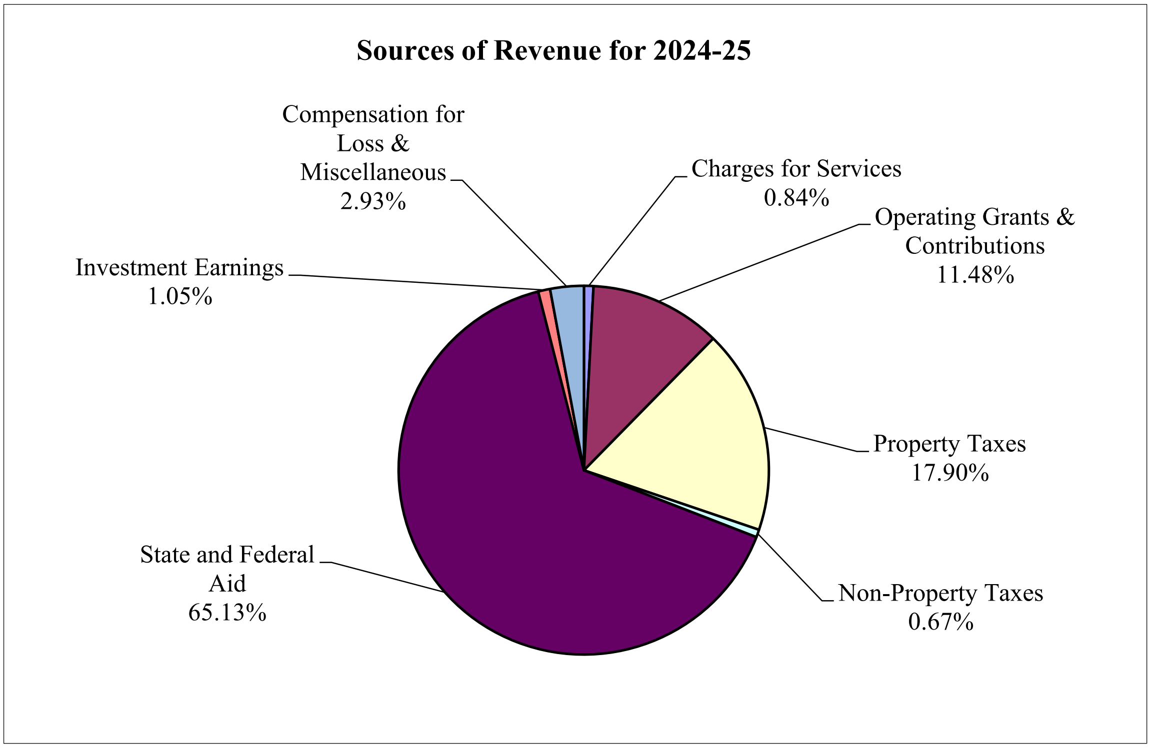
The District's total revenue decreased 1% to $28,636,986. State and federal aid 65% and property taxes 18% accounted for most of the District's revenue. The remaining 17% of the revenue comes from operating grants, charges for services, non property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

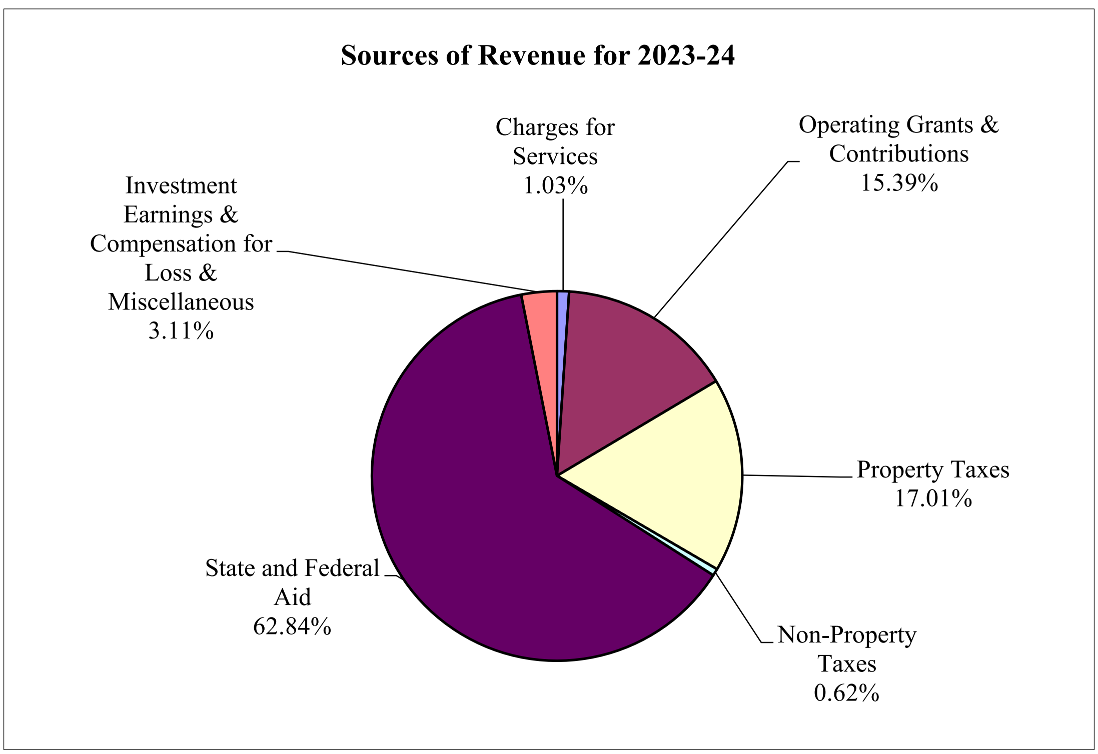
The total cost of all the programs and services decreased 14% to $22,833,558. The District's expenses are predominately related to education and caring for the students, or Instruction at 71%. General support, which included expenses associated with the operation, maintenance and administration of the District, accounted for 15% of the total costs. All other expenses account for 14%. See table below:

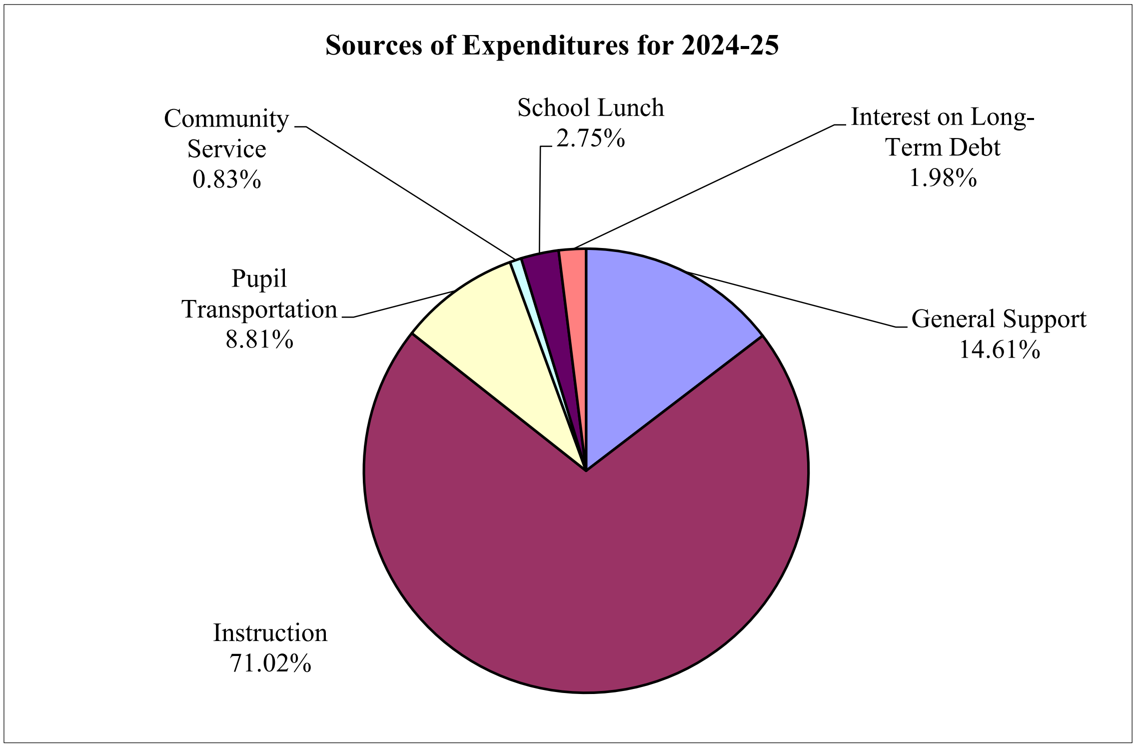
	Governmental Activities		Total Variance
	2025	**2024**	
REVENUES:			
Program -			
Charges for Service	$ 241,676	$ 298,138	$ (56,462)
Operating Grants & Contributions	3,288,336	4,470,678	(1,182,342)
Total Program	$ 3,530,012	$ 4,768,816	$ (1,238,804)
General -			
Property Taxes	$ 5,126,037	$ 4,939,940	$ 186,097
Non Property Taxes	193,088	180,119	12,969
State and Federal Aid	18,650,005	18,248,811	401,194
Investment Earnings	299,350	131,920	167,430
Compensation for Loss	42,703	19,360	23,343
Miscellaneous	795,791	753,181	42,610
Total General	$ 25,106,974	$ 24,273,331	$ 833,643
TOTAL REVENUES	**$ 28,636,986**	**$ 29,042,147**	**$ (405,161)**
EXPENSES:			
General Support	$ 3,336,804	$ 3,511,678	$ (174,874)
Instruction	16,215,753	19,554,190	(3,338,437)
Pupil Transportation	2,010,699	1,883,759	126,940
Community Services	190,241	185,986	4,255
School Lunch	627,659	715,529	(87,870)
Interest	452,402	568,436	(116,034)
TOTAL EXPENSES	**$ 22,833,558**	**$ 26,419,578**	**$ (3,586,020)**
CHANGE IN NET POSITION	**$ 5,803,428**	**$ 2,622,569**	
NET POSITION, BEGINNING OF YEAR	2,975,741	4,040,067	
NET POSITION, END OF YEAR	**$ 8,779,169**	$ 6,662,636	
Capital asset adjustment		(3,686,895)	
2024 RESTATED NET POSITION		**$ 2,975,741**	

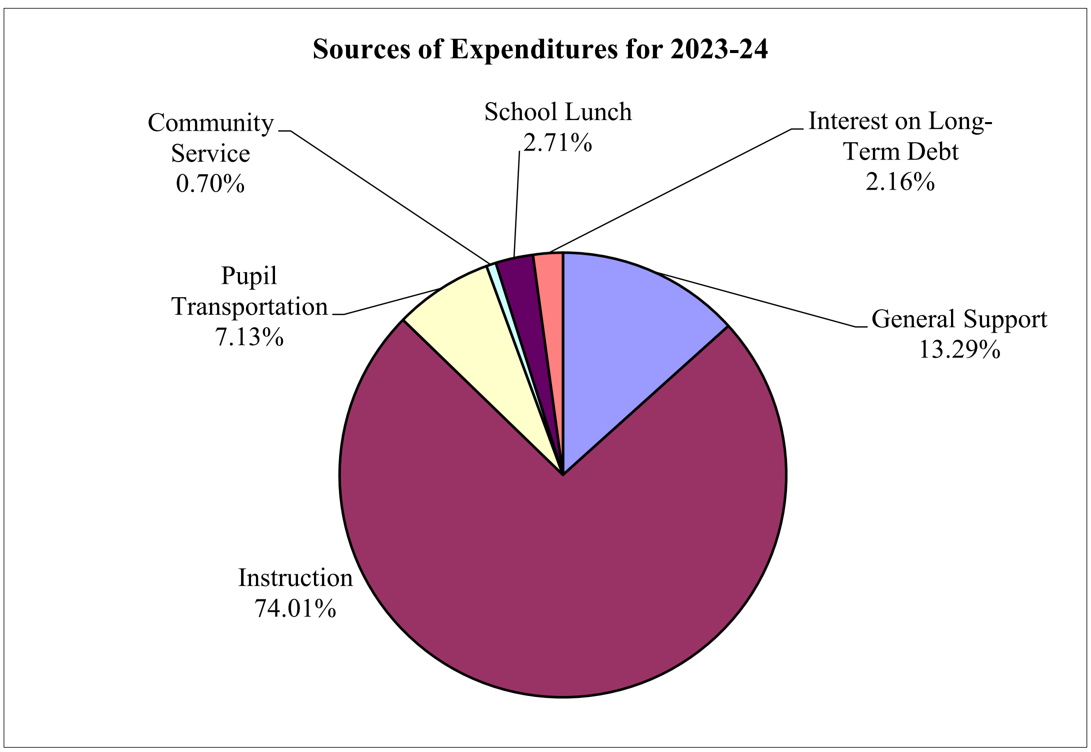
Key Variances

- Operating Grants & Contributions decreased $1,182,342 as a result of the expiry of COVID grants.
- Instruction decreased $3,338,437 as a result of the expiry of certain grant funds and adjustments per declining student enrollment.


Sources of Revenue for 2024-25
Compensation for Loss & Miscellaneous 2.93%
Charges for Services 0.84%
Operating Grants & Contributions 11.48%
Investment Earnings 1.05%
Property Taxes 17.90%
State and Federal Aid 65.13%
Non-Property Taxes 0.67%


Sources of Revenue for 2023-24
Charges for Services 1.03%
Operating Grants & Contributions 15.39%
Investment Earnings & Compensation for Loss & Miscellaneous 3.11%
Property Taxes 17.01%
State and Federal Aid 62.84%
Non-Property Taxes 0.62%


Sources of Expenditures for 2024-25
Community Service 0.83%
School Lunch 2.75%
Interest on Long-Term Debt 1.98%
Pupil Transportation 8.81%
General Support 14.61%
Instruction 71.02%


Sources of Expenditures for 2023-24
Community Service 0.70%
School Lunch 2.71%
Interest on Long-Term Debt 2.16%
Pupil Transportation 7.13%
General Support 13.29%
Instruction 74.01%

Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of $8,279,221, which is less than last year's ending fund balance of $10,066,096.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was $7,036,763. Fund balance for the General Fund increased by $1,040,074 compared with the prior year. See table below:

General Fund Balances:	2025	2024	Total Variance
Nonspendable	$ 307,170	$ 294,654	$ 12,516
Restricted	5,273,219	4,138,673	1,134,546
Assigned	454,696	556,311	(101,615)
Unassigned	1,001,678	1,007,051	(5,373)
Total General Fund Balances	**$ 7,036,763**	**$ 5,996,689**	**$ 1,040,074**

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $540,167. This change is attributable to $156,311 for carryover encumbrances from the 2023-24 school year, $380,000 for bus purchases, and $3,856 for admission revenue.

The key factors for budget variances in the General Fund are listed below along with explanations for each.

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Instructional	($322,182)	Reduction per reduced expenditures due to the utilization of available grant funding and per actual staffing levels.
Transfers-Out	$388,420	Adjustment per voter authorization for the use of the bus reserve ($380,000) and transfer for the payment of summer school expenditures ($8,420).

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Miscellaneous	$307,467	Additional revenues received as a result of the correction of accounts receivable balances to accurately reflect outstanding receivables.
Expenditure Items:	**Budget Variance Amended Vs. Actual**	**Explanation for Budget Variance**
Instructional	$552,329	Reflects conservative budgeting practices and actual staffing levels.
Pupil Transportation	$271,992	Reflects conservative budgeting practices.
Employee Benefits	$391,461	Reflects conservative budgeting practices. Benefit costs fluctuate throughout the year as member changes are processed.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2025 fiscal year, the District had invested $37,335,110 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	2025	2024
Capital Assets:		
Land	$ 98,000	$ 98,000
Work in Progress	3,274,729	182,611
Buildings and Improvements	33,207,681	37,107,057
Machinery and Equipment	754,700	1,775,233
Total Capital Assets	**$ 37,335,110**	**$ 39,162,901**
Lease Assets:		
Equipment	$ 975,283	$ 935,501
Total Lease Assets	**$ 975,283**	**$ 935,501**

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

Long-Term Debt

At year-end, the District had $25,685,516 in general obligation bonds and other long-term debt outstanding as follows:

Type	2025	2024
Serial Bonds Payable	$ 10,525,000	$ 12,525,000
Lease Liability	9,534	2,252
Unamortized Bond Premium	1,690,916	1,860,008
OPEB Liability	11,222,916	12,602,665
Net Pension Liability	1,163,201	1,709,004
Retainage Payable	82,755	-
Compensated Absences	991,194	693,583
Total Long-Term Obligations	**$ 25,685,516**	**$ 29,392,512**

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

Factors Bearing on the District's Future

Ongoing uncertainty at both state and federal levels negatively impacts the operations of the District. The District relies on NYS & federal aid for the majority of its revenues. Significant decreases to these revenues would not be able to be recouped through taxation, as the District has a limited ability to raise funds locally.

Further, the initiative by the New York State Governor to transition away from the purchase of gas and diesel buses to zero emission electric buses poses a significant budgetary challenge to the district. Under the current law, by 2027, all new school buses sold in the state must be zero emission electric buses, and all school buses on the road must be zero emission electric buses by 2035. This is budgetarily challenging due to a full infrastructure overhaul of the district's bus garage that would be needed to support the necessary electrical capacity necessary to charge the electric buses and the cost of an electric bus is three to four times more than the cost of the gas buses the district currently purchases. At this time, the district has other priorities to focus and maximize its financial resources on, such as items that directly impact students, programs, and staff, especially during the current market challenges.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Red Creek Central School District
P.O. Box 190, 6624 South Street
Red Creek, New York 13143

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2025

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	7,069,667
Investments		7,648
Accounts receivable		1,997,316
Inventories		37,282
Prepaid items		307,170
Net pension asset		1,247,836
Capital Assets:		
Land		98,000
Work in progress		3,274,729
Other capital assets (net of depreciation)		34,937,664
TOTAL ASSETS	**$**	**48,977,312**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources	**$**	**3,867,994**
LIABILITIES		
Accounts payable	$	60,732
Accrued liabilities		64,770
Unearned revenues		5,618
Due to teachers' retirement system		875,004
Due to employees' retirement system		110,073
Other Liabilities		45,592
Long-Term Obligations:		
Due in one year		1,173,912
Due in more than one year		24,511,604
TOTAL LIABILITIES	**$**	**26,847,305**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	**$**	**17,218,832**
NET POSITION		
Net investment in capital assets	$	26,002,188
Restricted For:		
Debt service Reserve		713,028
Reserve for employee retirement system		1,129,266
Reserve for teacher retirement system		704,077
Employee benefit accrued liability reserve		790,544
Capital reserves		2,024,278
Other purposes		1,075,786
Unrestricted		(23,659,998)
TOTAL NET POSITION	**$**	**8,779,169**

(See accompanying notes to financial statements)

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
For The Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government -				
General support	$ 3,336,804	$ -	$ -	$ (3,336,804)
Instruction	16,215,753	25,307	2,684,092	(13,506,354)
Pupil transportation	2,010,699	-	-	(2,010,699)
Community services	190,241	161,753	-	(28,488)
School lunch	627,659	54,616	604,244	31,201
Interest	452,402	-	-	(452,402)
Total Primary Government	**$ 22,833,558**	**$ 241,676**	**$ 3,288,336**	**$ (19,303,546)**

General Revenues:	
Property taxes	$ 5,126,037
Non property taxes	193,088
State and federal aid	18,650,005
Investment earnings	299,350
Compensation for loss	42,703
Miscellaneous	795,791
Total General Revenues	**$ 25,106,974**
Changes in Net Position	$ 5,803,428
Net Position, Beginning of Year, as previously reported	$ 6,662,636
Capital asset adjustment	(3,686,895)
Net Position, Beginning of Year, as adjusted	$ 2,975,741
Net Position, End of Year	**$ 8,779,169**

(See accompanying notes to financial statements)

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2025

ASSETS	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 5,509,190	$ 6,263	$ 307,902	$ 1,246,312	$ 7,069,667
Investments	-	-	-	7,648	7,648
Receivables	1,352,313	598,918	-	46,085	1,997,316
Inventories	-	-	-	37,282	37,282
Due from other funds	983,589	-	-	1,218	984,807
Prepaid items	307,170	-	-	-	307,170
TOTAL ASSETS	**$ 8,152,262**	**$ 605,181**	**$ 307,902**	**$ 1,338,545**	**$ 10,403,890**
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	$ 56,982	$ -	$ -	$ 3,750	$ 60,732
Accrued liabilities	27,848	6,461	-	8,534	42,843
Due to other funds	-	857,850	1,770	125,187	984,807
Due to TRS	875,004	-	-	-	875,004
Due to ERS	110,073	-	-	-	110,073
Other liabilities	45,592	-	-	-	45,592
Unearned revenue	-	1,000	-	4,618	5,618
TOTAL LIABILITIES	**$ 1,115,499**	**$ 865,311**	**$ 1,770**	**$ 142,089**	**$ 2,124,669**
Fund Balances -					
Nonspendable	$ 307,170	$ -	$ -	$ 37,282	$ 344,452
Restricted	5,273,219	-	306,132	857,628	6,436,979
Assigned	454,696	-	-	301,546	756,242
Unassigned	1,001,678	(260,130)	-	-	741,548
TOTAL FUND BALANCE	**$ 7,036,763**	**$ (260,130)**	**$ 306,132**	**$ 1,196,456**	**$ 8,279,221**
TOTAL LIABILITIES AND FUND BALANCES	**$ 8,152,262**	**$ 605,181**	**$ 307,902**	**$ 1,338,545**	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	38,310,393
Interest is accrued on outstanding bonds in the Statement of Net Position but not in the funds.	(21,927)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(10,525,000)
Lease liability	(9,534)
Retainage payable	(82,755)
OPEB liability	(11,222,916)
Compensated absences	(991,194)
Unamortized bond premium	(1,690,916)
Net pension asset	1,247,836
Deferred outflow - pension	3,596,627
Deferred outflow - OPEB	271,367
Net pension liability	(1,163,201)
Deferred inflow - pension	(1,785,693)
Deferred inflow - OPEB	(15,433,139)
Net Position of Governmental Activities	**$ 8,779,169**

(See accompanying notes to financial statements)

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For The Year Ended June 30, 2025

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	$ 5,126,037	$ -	$ -	$ -	$ 5,126,037
Non-property taxes	193,088	-	-	-	193,088
Charges for services	25,307	-	-	-	25,307
Use of money and property	194,572	147	-	104,631	299,350
Sale of property and compensation for loss	45,203	-	-	-	45,203
Miscellaneous	733,323	225,078	-	59,968	1,018,369
State sources	18,531,060	508,319	-	135,710	19,175,089
Federal sources	119,076	2,112,317	-	468,534	2,699,927
Sales	-	-	-	54,616	54,616
TOTAL REVENUES	**$ 24,967,666**	**$ 2,845,861**	**$ -**	**$ 823,459**	**$ 28,636,986**
EXPENDITURES					
General support	$ 3,225,802	$ 70,406	$ -	$ -	$ 3,296,208
Instruction	11,427,149	2,444,032	-	-	13,871,181
Pupil transportation	1,270,974	-	369,717	-	1,640,691
Community services	-	180,910	-	-	180,910
Employee benefits	4,951,015	174,681	-	94,823	5,220,519
Debt service - principal	2,001,914	-	-	-	2,001,914
Debt service - interest	625,628	-	-	-	625,628
Cost of sales	-	-	-	290,249	290,249
Other expenses	-	-	-	287,198	287,198
Capital outlay	-	-	3,018,559	-	3,018,559
TOTAL EXPENDITURES	**$ 23,502,482**	**$ 2,870,029**	**$ 3,388,276**	**$ 672,270**	**$ 30,433,057**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 1,465,184	$ (24,168)	$ (3,388,276)	$ 151,189	$ (1,796,071)
OTHER FINANCING SOURCES (USES)					
Transfers - in	$ 296,108	$ 11,630	$ 709,588	$ -	$ 1,017,326
Transfers - out	(721,218)	-	(14,091)	(282,017)	(1,017,326)
Proceeds from obligations	-	-	9,196	-	9,196
TOTAL OTHER FINANCING SOURCES (USES)	**$ (425,110)**	**$ 11,630**	**$ 704,693**	**$ (282,017)**	**$ 9,196**
NET CHANGE IN FUND BALANCE	**$ 1,040,074**	**$ (12,538)**	**$ (2,683,583)**	**$ (130,828)**	**$ (1,786,875)**
FUND BALANCE, BEGINNING OF YEAR	5,996,689	(247,592)	2,989,715	1,327,284	10,066,096
FUND BALANCE, END OF YEAR	**$ 7,036,763**	**$ (260,130)**	**$ 306,132**	**$ 1,196,456**	**$ 8,279,221**

(See accompanying notes to financial statements)

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities

For The Year Ended June 30, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS			$ (1,786,875)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:			
	Capital Outlay	$ 3,018,559	
	Additions to Assets, Net	471,384	
	Depreciation and Amortization	(1,591,057)	
			1,898,886
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:			
	Debt Repayments	$ 2,001,914	
	Unamortized Bond Premium	169,092	
	Proceeds from Obligations-Lease Issuance	(9,196)	
			2,161,810
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.			4,134
The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds			(82,755)
The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.			3,772,447
(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds			
	Teachers' Retirement System		86,149
	Employees' Retirement System		104,267
In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:			
	Compensated Absences		(354,635)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			**$ 5,803,428**

(See accompanying notes to financial statements)

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position
June 30, 2025

		Custodial Funds
ASSETS		
Cash and cash equivalents	$	74,453
TOTAL ASSETS	**$**	**74,453**
NET POSITION		
Restricted for individuals, organizations and other governments	$	74,453
TOTAL NET POSITION	**$**	**74,453**

Statement of Changes in Fiduciary Net Position
For The Year Ended June 30, 2025

		Custodial Funds
ADDITIONS		
Library taxes	$	121,000
Student activity		127,507
TOTAL ADDITIONS	**$**	**248,507**
DEDUCTIONS		
Student activity	$	136,060
Library taxes		121,000
TOTAL DEDUCTIONS	**$**	**257,060**
CHANGE IN NET POSITION	$	(8,553)
NET POSITION, BEGINNING OF YEAR		83,006
NET POSITION, END OF YEAR	**$**	**74,453**

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. 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 the Custodial Fund.

B. Joint Venture

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

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

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

During the year, the District was billed $3,603,191 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,351,367.

Financial statements for the BOCES are available from the Wayne-Finger Lakes BOCES administrative office.

C. Basis of Presentation

1. District-wide Statements

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

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

2. Fund Statements

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

(I.) (Continued)

The District reports the following governmental funds:

a. **<u>Major Governmental Funds</u>** –

<u>General Fund</u> - 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.

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

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

b. **<u>Nonmajor Governmental Funds</u>** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

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

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

<u>Miscellaneous Special Revenue Fund</u> – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

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

<u>Custodial Funds</u> - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

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D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 7, 2024. Taxes are collected during the period September 1 to October 31, 2024.

Uncollected real property taxes are subsequently enforced by the County(ies) in which the District is located. The County(ies) pay an amount representing uncollected real property taxes transmitted to the County(ies) 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. Interfund Transactions

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

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

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

Refer to Note IX 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, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents

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

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

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

Investments are stated at fair value.

J. Receivables

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

In addition, the District will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

An allowance for uncollectible accounts has been provided for certain amounts that may not be collectible.

K. Inventory and Prepaid Items

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

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

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

L. Capital Assets

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

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

Class	Threshold	Method	Useful Life
Buildings	$ 50,000	SL	15-50 Years
Machinery and Equipment	$ 5,000	SL	5-25 Years

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

M. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated replacement of the assets.

N. Unearned Revenue

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

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 (expenses/expenditure) until that time.

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.

(I.) (Continued)

P. Vested Employee Benefits

1. Compensated Absences

The District, based on policy and/or various negotiated labor or employment contracts, recognizes a liability for compensated absences for leave time that:

(i) has been earned for services previously rendered by employees.
(ii) has accumulated and is allowed to be carried over into subsequent years.
(iii) is more likely than not to be used as time off or settled (for example paid in cash to the employee or as a payment to an employee 403b or medical spending account) during or upon separation from employment.

Based on the criteria listed, only vacation leave, sick leave and sick leave banks meet the qualifications to be recognized as a liability for compensated absences. The total long-term estimated liability for compensated absences is reported as incurred in the District-wide financial statements. The short-term liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Consistent with GASB Statement 101, Compensated Absences, the liability has been calculated using the more likely than not to be used as leave or settled at separation method with the compensated absences liability being calculated based on the pay rates in effect at year end.

Q. Other Benefits

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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

R. Short-Term Debt

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

(I.) (Continued)

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 postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

T. Equity Classifications

1. District-wide Statements

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

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

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

On the Statement of Net Position, the following balances represent the restricted for other purposes:

	Total
Workers' Compensation Reserve	$ 482,809
Unemployment Costs	139,718
Capital Projects	306,132
Scholarships	144,600
Liability Reserve	2,527
Total Net Position - Restricted for Other Purposes	**$ 1,075,786**

c. Unrestricted Net Position - reports the balance of net position that does not meet the definition of the above two classifications. The reported deficit of $23,659,998 at year end is the result of full implementation of GASB #75 regarding retiree health obligations.

(I.) (Continued)

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes:

	Total
Inventory in School Lunch	$ 37,282
Prepaid items	307,170
Total Nonspendable Fund Balance	**$ 344,452**

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

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

Name of Reserve	Maximum Funding	Total Funding Provided	Total Year to Date Balance
Capital reserve - Bus 2020	$ 2,500,000	$ 1,857,148	$ 1,297,338
2024 Capital Reserve	$ 5,000,000	$ 706,500	$ 726,940

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

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

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or $15,000, whichever is greater.

Workers' Compensation Reserve - According to General Municipal Law §6-j, 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.

Retirement Contribution Reserve - According to General Municipal Law §6-r, must be used financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Teachers' Retirement Reserve – General Municipal Law §6-r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

Unemployment Insurance Reserve - According to General Municipal Law §6-m, 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.

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

(I.) (Continued)

Restricted fund balances include the following:

		Total
General Fund -		
Workers' Compensation Reserve	$	482,809
Unemployment Costs		139,718
Retirement Contribution - ERS		1,129,266
Retirement Contribution - TRS		704,077
Liability Reserve		2,527
Capital Reserves		2,024,278
Employee Benefit Accrued Liability Reserve		790,544
Capital Projects Fund -		
Capital Improvements		306,132
Miscellaneous Special Revenue Fund -		
Scholarships		144,600
Debt Service Fund -		
Debt Service Reserve		713,028
Total Restricted Fund Balance	**$**	**6,436,979**

The District appropriated and/or budgeted the following in the 2025-26 budget:

		Total
Workers' Compensation	$	50,000
Retirement Contribution-ERS		300,000
Total	**$**	**350,000**

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2025.

c. **Assigned Fund Balance** – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be $57,000, the Capital Projects Fund to be $7,500, and Special Aid Fund to be $8,700. The District reports the following significant encumbrances:

Capital Projects Fund -		
Bus Purchases	$	193,371
Capital Outlay	$	22,108,821
Special Aid Fund -		
General Support	$	22,933

(I.) (Continued)

Assigned fund balances include the following:

		Total
General Fund - Encumbrances	$	54,696
General Fund - Appropriated for Taxes		400,000
School Lunch Fund - Year End Equity		301,546
Total Assigned Fund Balance	**$**	**756,242**

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

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

3. Order of Use of Fund Balance

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

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 101, *Compensated Absences*.

GASB has issued Statement No. 102, *Certain Risk Disclosures*.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which will be effective for fiscal years beginning after June 15, 2025.

(I.) (Continued)

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, which will be effective for fiscal years beginning after June 15, 2025.

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.

II. Restatement of Net Position

For the year ended June 30, 2025, beginning balances of buildings and improvements, machinery and equipment, and associated accumulated depreciation, were restated based on an updated capital asset valuation obtained by the District. The restatement is noted on the Statement of Activities.

III. Changes in Accounting Principles

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of the statement changes the reporting for compensated absences. There was no financial statement impact for the implementation of the Statement.

IV. Stewardship, Compliance and Accountability

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the year, the budget was amended $156,311 for carry over encumbrances, $3,856 for admission revenue, and $380,000 for bus purchases.

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

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

B. 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 reservations 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.

C. Deficit Fund Balance – Special Aid Fund

The District's Community Center Fund had a deficit fund balance of $260,130 at June 30, 2025. This deficit is a result of expenditures increasing at a higher rate than revenues.

V. Cash and Cash Equivalents

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

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

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

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

Uncollateralized	$	-
Collateralized with Securities held by the Pledging Financial Institution		2,552,640
Total	**$**	**2,552,640**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $6,436,979 within the governmental funds and $74,453 in the fiduciary funds.

VI. Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year end are $4,428,955, which consisted of $1,198,918 in repurchase agreements, $3,048,450 in U.S. Treasury Securities, $40,303 in FDIC insured deposits and $141,284 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

Fund	Bank Amount	Carrying Amount	Type of Investment
General	$ 3,474,214	$ 3,474,214	NYCLASS
School Lunch	$ 259,507	$ 259,507	NYCLASS
Debt Service	$ 609,963	$ 609,963	NYCLASS
Miscellaneous Special Revenue	$ 65,144	$ 65,144	NYCLASS
Custodial	$ 20,127	$ 20,127	NYCLASS

VII. Investments

The District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value, and are categorized as either:

A. Insured or registered, or investments held by the District or by the District's agent in the District's name, or
B. Uninsured and unregistered, with the investments held by the financial institutes trust department in the District's name, or
C. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the Districts name.
D.

Investments	Fund	Carrying Amount	Type of Invesment	Category
John Hancock	Misc. Special Revenue	$ 7,648	Mutual Fund	Level 1

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

VIII. Receivables

Receivables at June 30, 2025 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			
Description	General Fund	Special Aid Fund	Nonmajor Funds	Total
Accounts Receivable	$ 206,268	$ 2,038	$ 272	$ 208,578
Due From State and Federal	556,813	454,080	45,813	1,056,706
Due From Other Governments	589,232	142,800	-	732,032
Total Receivables	**$ 1,352,313**	**$ 598,918**	**$ 46,085**	**$ 1,997,316**

District management has deemed the amounts to be fully collectible.

IX. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2025 were as follows:

	Interfund			
	Receivables	Payables	Revenues	Expenditures
General Fund	$ 983,589	$ -	$ 296,108	$ 721,218
Special Aid Fund	-	857,850	11,630	-
Capital Projects Fund	-	1,770	709,588	14,091
Nonmajor Funds	1,218	125,187	-	282,017
Total	**$ 984,807**	**$ 984,807**	**$ 1,017,326**	**$ 1,017,326**

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

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

X. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

Type	Restated Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities:				
Capital Assets that are not Depreciated -				
Land	$ 98,000	$ -	$ -	$ 98,000
Work in progress	182,611	3,101,314	9,196	3,274,729
Total Nondepreciable	$ 280,611	$ 3,101,314	$ 9,196	$ 3,372,729
Capital Assets that are Depreciated -				
Buildings and Improvements	73,057,417	$ -	$ -	$ 73,057,417
Machinery and equipment	3,677,520	126,354	366,176	3,437,698
Total Depreciated Assets	$ 76,734,937	$ 126,354	$ 366,176	$ 76,495,115
Less Accumulated Depreciation -				
Buildings and Improvements	38,725,307	$ 1,124,429	$ -	$ 39,849,736
Machinery and equipment	2,814,235	217,657	348,894	2,682,998
Total Accumulated Depreciation	$ 41,539,542	$ 1,342,086	$ 348,894	$ 42,532,734
Total Capital Assets Depreciated, Net of Accumulated Depreciation	$ 35,195,395	$ (1,215,732)	$ 17,282	$ 33,962,381
Total Capital Assets	**$ 35,476,006**	**$ 1,885,582**	**$ 26,478**	**$ 37,335,110**

Beginning balances of buildings and improvements, machinery and equipment, and associated accumulated depreciation, were restated based on an updated capital asset valuation obtained by the District.

B. Lease Assets

A summary of the lease asset activity during the year ended June 30, 2025 is as follows:

Type	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Lease Assets:				
Equipment	$ 2,031,480	$ 294,428	$ 101,785	$ 2,224,123
Total Lease Assets	$ 2,031,480	$ 294,428	$ 101,785	$ 2,224,123
Less Accumulated Amortization -				
Equipment	$ 1,095,979	$ 248,971	$ 96,110	$ 1,248,840
Total Accumulated Amortization	$ 1,095,979	$ 248,971	$ 96,110	$ 1,248,840
Total Lease Assets, Net	**$ 935,501**	**$ 45,457**	$ 5,675	**$ 975,283**

C. Other capital assets (net of depreciation and amortization):

	Total
Depreciated Capital Assets (net)	$ 33,962,381
Amortized Lease Assets (net)	975,283
Total Other Capital Assets (net)	**$ 34,937,664**

(X.) (Continued)

D. Depreciation/Amortization expense for the period was charged to functions/programs as follows:

Governmental Activities:	Depreciation	Amortization	Total
General Government Support	$ 9,379	$ -	$ 9,379
Instruction	1,037,230	248,971	1,286,201
Transportation	229,269	-	229,269
School Lunch	66,208	-	66,208
Total Depreciation and Amortization Expense	**$ 1,342,086**	**$ 248,971**	**$ 1,591,057**

XI. Long-Term Debt Obligations

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

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable -					
Serial Bonds	$ 12,525,000	$ -	$ 2,000,000	$ 10,525,000	$ 865,000
Lease Liability	2,252	9,196	1,914	9,534	2,265
Unamortized Bond Premium	1,860,008	-	169,092	1,690,916	169,092
Total Bonds and Notes Payable	$ 14,387,260	$ 9,196	$ 2,171,006	$ 12,225,450	$ 1,036,357
Other Liabilities -					
Net Pension Liability	$ 1,709,004	$ -	$ 545,803	$ 1,163,201	$ -
OPEB Liability	12,602,665	-	1,379,749	11,222,916	-
Retainage Payable	-	82,755	-	82,755	82,755
Compensated Absences *	693,583	297,611	-	991,194	54,800
Total Other Liabilities	$ 15,005,252	$ 380,366	$ 1,925,552	$ 13,460,066	$ 137,555
Total Long-Term Obligations	**$ 29,392,512**	**$ 389,562**	**$ 4,096,558**	**$ 25,685,516**	**$ 1,173,912**

* The change in compensated absences above is a net change for the year.

Description	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2025
Serial Bonds					
Construction	$ 12,475,000	2020	2035	5%	$ 9,300,000
Construction	$ 1,350,000	2023	2037	5%	1,225,000
Total Serial Bonds					**$ 10,525,000**
Leases					
Lease - Equipment	$ 7,768	2020	2025	0.79%	$ 754
Lease - Equipment	$ 9,196	2025	2030	0.60%	8,780
Total Leases					**$ 9,534**

The following is a summary of debt service requirements:

	Serial Bonds		Leases	
Year	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 865,000	$ 526,250	$ 2,265	$ 602
2027	905,000	483,000	1,625	474
2028	955,000	437,750	1,747	352
2029	1,000,000	390,000	1,878	221
2030	1,050,000	340,000	2,019	80
2031-35	5,495,000	857,250	-	-
2036-37	255,000	19,250	-	-
Total	**$ 10,525,000**	**$ 3,053,500**	**$ 9,534**	**$ 1,729**

Interest on long-term debt for June 30, 2025 was composed of:

Interest Paid	$ 625,628
Less: Interest Accrued in the Prior Year	(26,061)
Less: Amortization of bond premium	(169,092)
Plus: Interest Accrued in the Current Year	21,927
Total Long-Term Interest Expense	**$ 452,402**

XII. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	Deferred Outflows	**Deferred Inflows**
Pension	$ 3,596,627	$ 1,785,693
OPEB	271,367	15,433,139
Total	**$ 3,867,994**	**$ 17,218,832**

XIII. Pension Plans

A. General Information

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

B. Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

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

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% 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 6 vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2025:

Contributions	ERS	TRS
2025	$ 337,534	$ 875,004

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

At June 30, 2025, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Net pension asset/(liability)	$ (1,163,201)	$ 1,247,836
District's portion of the Plan's total net pension asset/(liability)	0.007%	0.042%

For the year ended June 30, 2025, the District recognized pension expenses of $242,842 for ERS and $701,507 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 288,714	$ 1,343,690	$ 13,619	$ -
Changes of assumptions	48,782	746,459	-	125,561
Net difference between projected and actual earnings on pension plan investments	91,262	-	-	1,386,452
Changes in proportion and differences between the District's contributions and proportionate share of contributions	103,047	82,724	187,705	72,356
Subtotal	$ 531,805	$ 2,172,873	$ 201,324	$ 1,584,369
District's contributions subsequent to the measurement date	110,073	781,876	-	-
Grand Total	**$ 641,878**	**$ 2,954,749**	**$ 201,324**	**$ 1,584,369**

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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	ERS	TRS
2025	$ -	$ (629,851)
2026	183,715	1,545,623
2027	286,396	(245,842)
2028	(115,061)	(290,492)
2029	(24,569)	150,419
Thereafter	-	58,647
Total	**$ 330,481**	**$ 588,504**

E. Actuarial Assumptions

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

.	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.90%	6.95%
Salary scale	4.30%	4.40%
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%
COLA's	1.50%	1.30%

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

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 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 as of March 31, 2025 for ERS and June 30, 2024 for TRS are summarized as follows:

Long Term Expected Rate of Return		
	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Asset Type -		
Domestic equity	4.00%	6.80%
International equity	6.65%	7.60%
Global equity	n/a	7.20%
Private equity	7.25%	10.10%
Real estate	4.60%	6.30%
Opportunistic portfolios	5.25%	n/a
Real assets	5.79%	n/a
Global bonds	n/a	1.60%
Cash	0.25%	0.30%
Private debt	n/a	6.00%
Real estate debt	n/a	3.20%
High-yield bonds	n/a	4.40%
Domestic fixed income	n/a	2.20%
Fixed income	1.50%	n/a
Credit	5.40%	n/a

The real rate of return is net of the long-term inflation assumption of 2.90% for ERS and 2.40% for TRS.

F. Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current assumption:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share share of the net pension asset (liability)	$ (3,366,450)	$ (1,163,201)	$ 676,513

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share share of the net pension asset (liability)	$ (5,763,826)	$ 1,247,836	$ 7,144,832

H. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	$ 247,600,239	$ 142,837,827
Plan net position	230,454,512	145,821,435
Employers' net pension asset/(liability)	$ (17,145,727)	$ 2,983,608
Ratio of plan net position to the employers' total pension asset/(liability)	93.08%	102.10%

I. Payables to the Pension Plan

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, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $110,073.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to $875,004.

XIV. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

Employees Covered by Benefit Terms – At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	123
Active Employees	107
Total	**230**

B. Total OPEB Liability

The District's total OPEB liability of $11,222,916 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	2.40%, average, including inflation
Discount Rate	5.20%
Healthcare Cost Trend Rates	Initial rate of 6.80% decreasing to an ultimate rate of 3.80%
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on a yield or index rate for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on Pub-2010 Headcount Weighted Mortality Table generationally projected using the MP-2021 Ultimate Scale.

C. Changes in the Total OPEB Liability

Balance at June 30, 2024	$	12,602,665
Changes for the Year -		
Service cost	$	417,884
Interest		501,580
Changes in assumptions or other inputs		(1,778,762)
Benefit payments		(520,451)
Net Changes	$	(1,379,749)
Balance at June 30, 2025	**$**	**11,222,916**

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 (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 12,588,850	$ 11,222,916	$ 10,073,503

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current healthcare cost trend rate:

	1% Decrease (5.80% Decreasing to 2.80%)	Healthcare Cost Trend Rates (6.80% Decreasing to 3.80%)	1% Increase (7.80% Decreasing to 4.80%)
Total OPEB Liability	$ 9,721,187	$ 11,222,916	$ 13,074,262

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

For the year ended June 30, 2025, the District recognized an OPEB benefit of $3,251,996. At June 30, 2025, 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	$ 104,918	$ 9,303,069
Changes of assumptions	166,449	6,130,070
Total	**$ 271,367**	**$ 15,433,139**

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

Year	
2026	$ (4,219,181)
2027	(4,141,022)
2028	(3,869,500)
2029	(2,525,211)
2030	(406,858)
Total	**$ (15,161,772)**

XV. Risk Management

A. General Information

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

B. Health Plan

For its employee health and dental insurance coverage the Red Creek Central School District is a Participant in the Finger Lakes Area School Health Plan (FLASHP). FLASHP was formed under Article 5-G of the New York State Municipal Law. FLASHP is a non-risk-retained public entity risk pool for its employees' health and dental insurance coverage. The pool is operated for the benefit of municipal corporations (city, town, village, fire district, school district or board of cooperative educational services - BOCES) and community colleges located within the Finger Lakes Region in New York. Current membership includes thirty-seven (37) Participants.

FLASHP contracts with an insurance company to provide services for all of its members. FLASHP negotiates and approves annual contracts from the insurance company for the Participants' health and dental insurance coverage. The District is billed directly by and pays the monthly premiums to the insurance carrier for this coverage. The District has essentially transferred all related risks to the insurance carrier. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling $2,998,880.

C. <u>Workers' Compensation</u>

The District is a Participant in the Wayne-Finger Lakes School Workers' Compensation Plan (Plan). The Plan is sponsored by the Ontario-Seneca-Yates-Cayuga-Wayne Counties Board of Cooperative Educational Services (Wayne-Finger Lakes BOCES). The Plan's objectives are to furnish workers' compensation benefits at a significant cost savings and to provide for risk management to reduce future liability for workers compensation. Membership in the Plan may be offered to any component district of Wayne-Finger Lakes BOCES with the approval of the Board of Trustees. Such membership shall become effective on the first day of the calendar month following the adoption by the Board of Trustees of the resolution to accept a new Participant. Current membership of the Plan includes Participants from twenty-three (23) municipal corporations.

Voluntary withdrawal from the Plan is subject to the following constraints:

1. Effective only once annually on the last day of the Plan year.
2. Notice on intention to withdraw must be given in writing to the Chairperson of the Board of Trustees and Treasurer not less than one (1) year prior to the end of the Plan year. Failure to provide at least one (1) years' notice will result in continued membership in the plan for another year unless all other Participants consents to such withdrawal.
3. Participant is responsible for their pro-rata share of exit fees (claim liability fee, administrative fee, and insurance cost) or entitled to any pro-rata share of surplus at the end of the Plan year in which withdrawal occurs including actual expenses and recognition of any claims/expenses incurred at the time of withdrawal but not yet paid.

The Plan is administered by Wayne-Finger Lakes BOCES. The Plan Participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year. However, if the Board of Trustees determines that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board of Trustees shall determine the amount needed to meet such deficiency and shall assess such amount against all Participants their pro-rata share, such additional assessment is due within sixty (60) days after written notification from the Chairperson of the Board of Trustees.

The Plan purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid. 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 claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling $98,238.

The Plan is audited on an annual basis and is available at the Wayne-Finger Lakes BOCES administrative offices. The most recent audit available for the year ended June 30, 2024, revealed that the Plan is fully funded.

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2024-25 fiscal year totaled $20,893. The balance of the fund at June 30, 2025 was $139,718 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2025, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XVI. Commitments and Contingencies

A. Litigation

There is no litigation pending against the District as of the balance sheet date.

B. Grants

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

XVII. Tax Abatement

The County of Wayne IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result, the District property tax revenue was reduced $206. The District received a PILOT payment totaling $6,609 to help offset the abatement.

Required Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Changes in District's Total OPEB Liability and Related Ratio

For The Year Ended June 30, 2025

TOTAL OPEB LIABILITY

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 417,884	$ 437,419	$ 936,001	$ 1,448,769	$ 1,357,031	$ 1,320,149	$ 1,375,069	$ 1,335,018
Interest	501,580	916,789	911,074	747,449	724,276	1,028,641	905,825	853,389
Differences between expected and actual experiences	-	(12,753,675)	-	(1,775,102)	-	677,518	-	121,234
Changes of assumptions or other inputs	(1,778,762)	(439,017)	(1,390,087)	(8,136,952)	285,588	945,014	(2,447,189)	-
Benefit payments	(520,451)	(473,657)	(679,536)	(601,170)	(652,778)	(596,246)	(571,069)	(632,035)
Net Change in Total OPEB Liability	**$ (1,379,749)**	**$ (12,312,141)**	**$ (222,548)**	**$ (8,317,006)**	**$ 1,714,117**	**$ 3,375,076**	**$ (737,364)**	**$ 1,677,606**
Total OPEB Liability - Beginning	**$ 12,602,665**	**$ 24,914,806**	**$ 25,137,354**	**$ 33,454,360**	**$ 31,740,243**	**$ 28,365,167**	**$ 29,102,531**	**$ 27,424,925**
Total OPEB Liability - Ending	**$ 11,222,916**	**$ 12,602,665**	**$ 24,914,806**	**$ 25,137,354**	**$ 33,454,360**	**$ 31,740,243**	**$ 28,365,167**	**$ 29,102,531**
Covered Employee Payroll	$ 6,297,003	$ 6,297,003	$ 6,616,923	$ 6,616,923	$ 6,548,554	$ 6,548,554	$ 7,925,684	$ 7,925,684
Total OPEB Liability as a Percentage of Covered Employee Payroll	178.23%	200.14%	376.53%	379.89%	510.87%	484.69%	357.89%	367.19%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability

For The Year Ended June 30, 2025

NYSERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (assets)	0.0067842%	0.0084321%	0.0071731%	0.0066551%	0.0070770%	0.0070569%	0.0061324%	0.006206%	0.006029%	0.006155%
Proportionate share of the net pension liability (assets)	$ 1,163,201	$ 1,241,547	$ 1,538,198	$ (544,027)	$ 7,047	$ 1,868,697	$ 434,502	$ 200,299	$ 566,498	$ 987,953
Covered-employee payroll	$ 2,450,942	$ 2,468,169	$ 2,182,203	$ 2,124,785	$ 2,279,138	$ 2,141,867	$ 1,850,972	$ 1,786,928	$ 1,752,011	$ 1,732,645
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	47.459%	50.302%	70.488%	(25.604%)	0.309%	87.246%	23.474%	11.209%	32.334%	57.020%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NYSTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (assets)	0.041823%	0.040876%	0.004003%	0.040770%	0.042984%	0.044420%	0.043834%	0.044504%	0.042815%	0.042943%
Proportionate share of the net pension liability (assets)	$ (1,247,836)	$ 467,457	$ 768,150	$ (7,064,970)	$ 1,187,768	$ (1,154,030)	$ (792,637)	$ (338,276)	$ 458,564	$ (4,460,439)
Covered-employee payroll	$ 8,602,730	$ 8,873,320	$ 6,973,057	$ 7,162,126	$ 6,934,666	$ 6,812,157	$ 7,668,290	$ 7,572,708	$ 7,161,975	$ 6,708,478
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	(14.505%)	5.268%	11.016%	(98.643%)	17.128%	(16.941%)	(10.337%)	(4.467%)	6.403%	(66.490%)
Plan fiduciary net position as a percentage of the total pension liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

Required Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of District Contributions

For The Year Ended June 30, 2025

NYSERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 337,534	$ 296,272	$ 236,298	$ 323,334	$ 310,476	$ 293,373	$ 267,808	$ 268,542	$ 265,203	$ 332,933
Contributions in relation to the contractually required contribution	(337,534)	(296,272)	(236,298)	(323,334)	(310,476)	(293,373)	(267,808)	(268,542)	(265,203)	(332,933)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,450,942	$ 2,468,169	$ 2,182,203	$ 2,124,785	$ 2,279,138	$ 2,141,867	$ 1,850,972	$ 1,786,928	$ 1,752,011	$ 1,732,645
Contributions as a percentage of covered-employee payroll	13.77%	12.00%	10.83%	15.22%	13.62%	13.70%	14.47%	15.03%	15.14%	19.22%

NYSTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 875,004	$ 866,036	$ 779,960	$ 758,593	$ 708,283	$ 695,615	$ 835,088	$ 746,908	$ 872,857	$ 911,988
Contributions in relation to the contractually required contribution	(875,004)	(866,036)	(779,960)	(758,593)	(708,283)	(695,615)	(835,088)	(746,908)	(872,857)	(911,988)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 8,602,730	$ 8,873,320	$ 6,973,057	$ 7,162,126	$ 6,934,666	$ 6,812,157	$ 7,668,290	$ 7,572,708	$ 7,161,975	$ 6,708,478
Contributions as a percentage of covered-employee payroll	10.17%	9.76%	11.19%	10.59%	10.21%	10.21%	10.89%	9.86%	12.19%	13.59%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2025

	Original Budget	Amended Budget	Current Year's Revenues	Over (Under) Revised Budget
REVENUES				
Local Sources -				
Real property taxes	$ 5,110,949	$ 4,597,292	$ 4,595,630	$ (1,662)
Real property tax items	21,300	534,957	530,407	(4,550)
Non-property taxes	160,000	160,000	193,088	33,088
Charges for services	61,000	61,000	25,307	(35,693)
Use of money and property	35,500	35,500	194,572	159,072
Sale of property and compensation for loss	3,000	3,000	45,203	42,203
Miscellaneous	422,000	425,856	733,323	307,467
State Sources -				
Basic formula	17,044,995	17,044,995	14,818,168	(2,226,827)
Lottery aid	2,500	2,500	2,286,057	2,283,557
BOCES	1,200,000	1,200,000	1,351,367	151,367
Textbooks	45,202	45,202	44,969	(233)
All Other Aid -				
Computer software	25,980	25,980	25,712	(268)
Library loan	4,838	4,838	4,787	(51)
Federal Sources	50,000	50,000	119,076	69,076
TOTAL REVENUES	$ 24,187,264	$ 24,191,120	$ 24,967,666	$ 776,546
Other Sources -				
Transfer - in	$ 239,000	$ 239,000	$ 296,108	$ 57,108
TOTAL REVENUES AND OTHER SOURCES	$ 24,426,264	$ 24,430,120	$ 25,263,774	$ 833,654
Appropriated reserves	$ 350,000	$ 730,000		
Appropriated fund balance	$ 400,000	$ 400,000		
Prior year encumbrances	$ 156,311	$ 156,311		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	**$ 25,332,575**	**$ 25,716,431**		

Required Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2025

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General Support -					
Board of education	$ 46,325	$ 40,572	$ 37,763	$ -	$ 2,809
Central administration	227,230	237,033	230,688	2,311	4,034
Finance	409,087	398,187	370,601	-	27,586
Staff	208,475	266,108	253,052	2,667	10,389
Central services	2,222,067	2,206,607	2,007,498	37,876	161,233
Special items	234,500	326,200	326,200	-	-
Instructional -					
Instruction, administration and improvement	757,736	752,024	699,681	288	52,055
Teaching - regular school	5,847,618	5,688,269	5,547,264	6,606	134,399
Programs for children with handicapping conditions	3,216,180	3,207,524	2,998,855	-	208,669
Occupational education	351,420	366,421	366,420	-	1
Teaching - special schools	91,500	61,500	57,624	-	3,876
Instructional media	1,038,053	930,335	854,618	4,619	71,098
Pupil services	1,010,768	985,020	902,687	102	82,231
Pupil Transportation	1,493,115	1,543,193	1,270,974	227	271,992
Employee Benefits	5,342,476	5,342,476	4,951,015	-	391,461
Debt service - principal	1,926,500	2,001,914	2,001,914	-	-
Debt service - interest	560,525	625,628	625,628	-	-
TOTAL EXPENDITURES	$ 24,983,575	$ 24,979,011	$ 23,502,482	$ 54,696	$ 1,421,833
Other Uses -					
Transfers - out	$ 349,000	$ 737,420	$ 721,218	$ -	$ 16,202
TOTAL EXPENDITURES AND OTHER USES	$ 25,332,575	$ 25,716,431	$ 24,223,700	$ 54,696	$ 1,438,035
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**$ 1,040,074**		
FUND BALANCE, BEGINNING OF YEAR	5,996,689	5,996,689	5,996,689		
FUND BALANCE, END OF YEAR	**$ 5,996,689**	**$ 5,996,689**	**$ 7,036,763**		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Change From Adopted Budget To Final Budget And The Real Property Tax Limit For The Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	$	25,176,264
Prior year's encumbrances		156,311
Original Budget	$	25,332,575
Budget revisions -		
Bus purchases		380,000
Admission revenue		3,856
FINAL BUDGET	**$**	**25,716,431**

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2025-26 voter approved expenditure budget			$	25,041,943
Unrestricted fund balance:				
Assigned fund balance	$	454,696		
Unassigned fund balance		1,001,678		
Total Unrestricted fund balance	$	1,456,374		
Less adjustments:				
Appropriated fund balance	$	400,000		
Encumbrances included in assigned fund balance		54,696		
Total adjustments	$	454,696		
General fund fund balance subject to Section 1318 of Real Property Tax Law				1,001,678
ACTUAL PERCENTAGE				**4.00%**

Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

Schedule of Project Expenditures

For The Year Ended June 30, 2025

			Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Obligations	Local Sources	State Sources	Total	Fund Balance
K-12 Reconstruction	$ 18,500,000	$ 18,500,000	$ 18,431,277	$ -	$ 18,431,277	$ 68,723	$ 13,825,000	$ 4,253,501	$ 352,776	$ 18,431,277	$ -
2022-2023 Bus Purchase	275,000	275,000	258,928	-	258,928	16,072	-	258,928	-	258,928	-
Capital Improvement 2023	32,000,000	32,000,000	97,019	2,911,367	3,008,386	28,991,614	-	3,103,918	-	3,103,918	95,532
2023-24 Capital Outlay	100,000	100,000	85,592	14,408	100,000	-	-	100,000	-	100,000	-
2024-25 Capital Outlay	100,000	100,000	-	97,679	97,679	2,321	-	100,000	-	100,000	2,321
2023-24 Bus Purchase	370,000	370,000	170,315	184,777	355,092	14,908	-	370,000	-	370,000	14,908
2024-25 Bus Purchase	380,000	380,000	-	184,940	184,940	195,060	-	378,311	-	378,311	193,371
Leased Assets	9,196	9,196	-	9,196	9,196	-	-	9,196	-	9,196	-
TOTAL	**$ 51,734,196**	**$ 51,734,196**	**$ 19,043,131**	**$ 3,402,367**	**$ 22,445,498**	**$ 29,288,698**	**$ 13,825,000**	**$ 8,573,854**	**$ 352,776**	**$ 22,751,630**	**$ 306,132**

Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds			
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 397,550	$ 136,952	$ 711,810	$ 1,246,312
Investments	-	7,648	-	7,648
Receivables	46,085	-	-	46,085
Inventories	37,282	-	-	37,282
Due from other funds	-	-	1,218	1,218
TOTAL ASSETS	**$ 480,917**	**$ 144,600**	**$ 713,028**	**$ 1,338,545**
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	$ 3,750	$ -	$ -	$ 3,750
Accrued liabilities	8,534	-	-	8,534
Due to other funds	125,187	-	-	125,187
Unearned revenue	4,618	-	-	4,618
TOTAL LIABILITIES	**$ 142,089**	**$ -**	**$ -**	**$ 142,089**
Fund Balances -				
Nonspendable	$ 37,282	$ -	$ -	$ 37,282
Restricted	-	144,600	713,028	857,628
Assigned	301,546	-	-	301,546
TOTAL FUND BALANCE	**$ 338,828**	**$ 144,600**	**$ 713,028**	**$ 1,196,456**
TOTAL LIABILITIES AND FUND BALANCES	**$ 480,917**	**$ 144,600**	**$ 713,028**	**$ 1,338,545**

Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For The Year Ended June 30, 2025

	Special Revenue Funds: School Lunch Fund	Special Revenue Funds: Miscellaneous Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Use of money and property	$ 9,713	$ 3,130	$ 91,788	$ 104,631
Miscellaneous	14,681	45,287	-	59,968
State sources	135,710	-	-	135,710
Federal sources	468,534	-	-	468,534
Sales	54,616	-	-	54,616
TOTAL REVENUES	**$ 683,254**	**$ 48,417**	**$ 91,788**	**$ 823,459**
EXPENDITURES				
Employee benefits	$ 94,823	$ -	$ -	$ 94,823
Cost of sales	290,249	-	-	290,249
Other expenses	252,492	34,706	-	287,198
TOTAL EXPENDITURES	**$ 637,564**	**$ 34,706**	**$ -**	**$ 672,270**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 45,690	$ 13,711	$ 91,788	$ 151,189
OTHER FINANCING SOURCES (USES)				
Transfers - out	$ (50,740)	$ -	$ (231,277)	$ (282,017)
TOTAL OTHER FINANCING SOURCES (USES)	**$ (50,740)**	**$ -**	**$ (231,277)**	**$ (282,017)**
NET CHANGE IN FUND BALANCE	**$ (5,050)**	**$ 13,711**	**$ (139,489)**	**$ (130,828)**
FUND BALANCE, BEGINNING OF YEAR	343,878	130,889	852,517	1,327,284
FUND BALANCE, END OF YEAR	**$ 338,828**	**$ 144,600**	**$ 713,028**	**$ 1,196,456**

Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

Net Investment in Capital Assets/Right to Use Assets

For The Year Ended June 30, 2025

Capital assets/right to use assets, net		$ 38,310,393
Deduct:		
Serial bond payable	$ 10,525,000	
Lease liability	9,534	
Unamortized bond premium	1,690,916	
Retainage Payable	82,755	
		12,308,205
Net Investment in Capital Assets/Right to Use Assets		**$ 26,002,188**

Supplementary Information

RED CREEK CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2025

Grantor / Pass - Through Agency Federal Award Cluster / Program	Assistance Listing Number	Pass-Through Agency Number		Total Expenditures
U.S. Department of Education:				
Passed Through NYS Education Department -				
Special Education Cluster IDEA -				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-25-1041	$	384,186
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-25-1041		9,870
Total Special Education Cluster IDEA			$	394,056
Education Stabilization Fund -				
ARP - ESSER 3-COVID-19	84.425U	5880-21-3595	$	500,025
ARP - SLR Summer Enrichment-COVID-19	84.425U	5882-21-3595		2,912
ARP - SLR Comprehensive After School-COVID-19	84.425U	5883-21-3595		3,271
ARP - SLR Learning Loss-COVID-19	84.425U	5884-21-3595		39,001
ARP- Homeless	84.425U	5218-21-3595		5,173
Total Education Stabilization Fund			$	550,382
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-25-3595		32,033
21st Century Community Learning Ctrs	84.287C	0187-25-8050		637,775
Title IV - Student Support and Enrichment Program	84.424	0204-25-3595		20,927
Title I - Grants to Local Educational Agencies	84.010	0021-25-3595		275,139
Passed through Newark CSD				
School Climate Transformation Grant (2022-23)	84.184G	N/A		7,632
Passed Through Sodus CSD				
Full-Service Community Schools Program	84.215J	N/A		184,205
Total U.S. Department of Education			**$**	**2,102,149**
U.S. Department of Health and Human Services:				
Passed through North Rose-Wolcott CSD				
Mental Health Awareness Training	93.243	N/A	$	10,168
Total U.S. Department of Health and Human Services			**$**	**10,168**
U.S. Department of Agriculture:				
Passed Through NYS Education Department -				
Child Nutrition Cluster -				
National School Lunch Program	10.555	651503040000	$	308,629
Supply Chain Assistance-COVID-19	10.555	651503040000		4,872
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	651503040000		37,516
National School Snack Program	10.555	651503040000		23,668
Summer Food Service Program	10.559	651503040000		11,742
National School Breakfast Program	10.553	651503040000		82,107
Total Child Nutrition Cluster			$	468,534
Total U.S. Department of Agriculture			**$**	**468,534**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$**	**2,580,851**

MMB+CO BUSINESS ADVISORS AND CPAS

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 Auditors' Report

To the Board of Education
Red Creek Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Red Creek Central School District, New York (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
October 6, 2025