**PRELIMINARY OFFICIAL STATEMENT**

**RENEWAL ISSUE** | **BOND ANTICIPATION NOTES**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, 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. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.*

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

# $36,555,000

# CITY SCHOOL DISTRICT OF THE CITY OF ITHACA

## TOMPKINS AND TIOGA COUNTIES, NEW YORK

## $36,555,000 Bond Anticipation Notes, 2025 (Renewals)

**(the "Notes")**

**Dated: July 10, 2025** | **Due: July 10, 2026**

The Notes are general obligations of the City School District of the City of Ithaca, Tompkins and Tioga Counties, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and 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 the purchaser, the Notes will be issued in (i) registered form registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for DTC.

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the purchaser(s), on or about July 10, 2025.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 24, 2025 until 10:45 A.M., Eastern 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.**

June 17, 2025

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

# CITY SCHOOL DISTRICT OF THE CITY OF ITHACA
**TOMPKINS AND TIOGA COUNTIES, NEW YORK**

## SCHOOL DISTRICT OFFICIALS

## 2024-2025 BOARD OF EDUCATION

DR. SEAN EVERSLEY BRADWELL
President

ADAM KRANTWEISS, Ph.D.
Vice President

GARRICK BLALOCK
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* * * * *

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Superintendent of Schools

DOMINICK LISI
Assistant Superintendent for Business

EMILY SHIPE
Assistant School Business Executive

TRICIA BERESFORD
School District Clerk

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

No person has been authorized by City School District of the City of Ithaca 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 City School District of the City of Ithaca.

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**PREPARED WITH THE ASSISTANCE OF**


Fiscal Advisors & Marketing, Inc.
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**OFFICIAL STATEMENT**

**OF THE**

# CITY SCHOOL DISTRICT OF THE CITY OF ITHACA
# TOMPKINS AND TIOGA COUNTIES, NEW YORK

**RELATING TO**

## $36,555,000 Bond Anticipation Notes, 2025 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the City School District of the City of Ithaca, Tompkins and Tioga Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $36,555,000 principal amount of Bond Anticipation Notes, 2025 (Renewals) (the "Notes").

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

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

## NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

## THE NOTES

### Description of the Notes

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

The Notes are dated July 10, 2025 and will mature on July 10, 2026 without the option of prior redemption. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered to the purchaser, in denominations of $5,000 or integral multiples thereof with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State, as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey ("DTC"), which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

### No Optional Redemption

The Notes are not subject to redemption prior to maturity.

**Purpose of Issue**

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on March 26, 2019 and a proposition approved by the qualified voters on May 21, 2019 authorizing the issuance of $120,000,000 serial bonds to finance the construction of improvements to and reconstruction of various School District building and facilities.

The District currently has $36,605,000 bond anticipation notes (the "Outstanding Notes") outstanding maturing July 11, 2025 for this project. The proceeds of the Notes, along with $50,000 available funds of the District will partially redeem and renew the Outstanding Notes.

## BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), Jersey City, NJ, 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 "banking organization" within the meaning of the New York Banking Law, is 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 ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

**Certificated Notes Under Certain Circumstances**

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

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

## THE SCHOOL DISTRICT

### General Information

The School District, with a land area of approximately 160 square miles, is located in upstate New York, in the Counties of Tompkins and Tioga, and centers around the City of Ithaca. The City of Syracuse is located 45 miles northeast, the City of Binghamton 40 miles southeast and the City of Elmira 35 miles southwest. The School District includes the entire City of Ithaca as well as parts of the Towns of Caroline, Danby, Dryden, Enfield, Ithaca, Lansing, Newfield, Ulysses in Tompkins County and Candor and Richford in Tioga County.

Major highways serving the School District include N.Y.S. Routes 13, 34, 79, 96 and 366 as well as Interstate 81, traveling north to Canada and south to Tennessee. Air transportation is available at the Tompkins County Airport, located within the School District boundaries. Public ground transportation is available through Tompkins County Area Transit and Greyhound Bus Company.

The area is culturally and academically influenced by both Cornell University and Ithaca College. Additional higher educational opportunities are available at nearby State Universities at Cortland and Binghamton, Elmira College and Syracuse University.

The School District is situated on the southern end of Cayuga Lake, which, at more than 40 miles in length, is the largest of the six major lakes in the Finger Lakes Region. A variety of recreational activities are available to residents and include various State, municipal and private launching sites. State parks within the School District, or in close proximity, include Buttermilk Falls, Treman, Taughannock and Connecticut Hill.

Source: District officials.

### Recent Economic Developments

The following projects have been completed, started construction or expect to start construction in the near future:

The former Ithaca Gun Factory site was recently sold for future development. Site remediation is complete on the old factory site. The Breeze Apartments have been proposed on the old factory site. The proposal is for a 27 unit building.

The City of Ithaca has also seen development of the following:

- Harold's Square – a 6-story mixed use building on the Commons. The project consists of a 126,000 square foot building with retail, office and up to 72 market rate apartment units.
- A new Hilton Canopy Hotel in downtown is a 6-story 120 room hotel.
- The "City Centre" Building in downtown is an 8-story building with have 193 apartments and 10,300 square feet of retail space.
- Tompkins Financial is a $32 million building project for downtown to become the group's headquarters. The 7-story, 110,000 square foot project is located at 118 East Seneca Street.
- 232-236 Dryden Rd. – A pair of 4-story apartment buildings are planned.
- South Meadow St. Square – 22,000 square feet of added retail space.
- 201 College Ave. – a 5-story apartment building with 44 units of housing.
- 210 Linden Ave. – A 4-story mixed use building.
- 238 Linden Ave. – A 4-story short-term building.
- 701 Spencer St. – 23 studio apartments.
- 323 Taughannock Blvd. – Construction is complete for the 8 Townhouses.
- 325 College Ave. – a 6-story mixed use building. Construction has started.
- 159 Dryden – a 6-story mixed used building. Construction has started.
- 119-125 College Ave. – Townhouse Complex. Construction has started. 709-713 West Court St./326-328 N. Meadow – A 5-story mixed use building with affordable housing is under construction.
- 101 Pier Road, City Harbor – design for 7 acres of waterfront mixed-use project, including apartments, condos, and commercial space. The first constructed building is a 3-story, 60,000 ft. medical office facility. Construction is complete. Additional building construction will follow. The second phase is expected to start in 2024.
- 118 College Ave. – 3-4 story rental townhouses are complete.
- 126 College Ave. – A 4-story apartment building is complete. Cornell University – Adding 2,000 beds as part of their North Campus Project. The project includes dorms and dining. The project started construction in 2019. The $160 million project is mostly in the City with some of the project located in the Town of Ithaca. The project is complete.
- A 5-story, 120-unit apartment building with gallery, studio and office space is complete at 130 Cherry Street.
- 411-415 College Ave. A 6-story mixed use building with commercial retail and residential is complete.

Currently approved or under review are the following projects:

- Clinton Street Apartments – a 36-unit apartment complex on Terrace Hill. This project is working its way through the approval process.
- The old Emerson Power Train Plant site, which is a 95-acre parcel in both the City and Town of Ithaca, is looking to be redeveloped by Shift Capital for planned unit development. The project has gained approval and has been renamed the Southworks. Environmental review was completed in 2019. The project will be completed in phases over a few years. Phase I of Southworks is expected to start construction in the near future. Phase I would renovate four buildings; two buildings of 179,000 square feet of mixed commercial and residential space and two buildings of 171,000 square feet of industrial/manufacturing space. The full project will have 915 new apartments, 185,000 square feet of commercial/office space and 260,000 square feet of manufacturing space.
- 310-312 N. Cayuga Street Library Place – The 86,700 square foot, 4-story building, will house 67 senior apartments and 1,200 square feet of retail. Construction is complete.
- 302-306 College Ave. – a mixed-used building with retail and apartments is proposed.
- 123-125 Eddy St. – A new two-family dwelling is planned on a currently vacant lot. 2021 Construction is planned.
- Several other Collegetown developments have started going through the planning and approval process.
- Two developments of the previous City Green Street Parking Garage have been completed. The project, Asteri Ithaca, was completed July 2024 and includes 218 units of affordable housing, 356 new parking spaces, a 49,000 square foot conference center and 2,000 square feet of retail.. The second development, called the Ithacan, is a market-rate 200-unit apartment building, 2 floors of parking and 10 floors of apartments is complete.
- 320-324 & 330 W. Buffalo St., 309 N. Plain St. – Redevelopment of the former Immaculate Conception School into both affordable housing and commercial space has been completed.
- Cayuga Park (Carpenter Business Park) includes 4 buildings of mixed-use, office, housing and retail. Phase I is complete and Phase II commenced construction in spring 2024 and construction continues.
- 311 College Ave. A 6-story mixed use building with retail and residential is proposed.
- 301B Eddy St. A 5-story apartment building is proposed.
- 114 Catherine St. A 3-story apartment building is proposed.
- West End Iron Works. 430-440 W. State St./Martin Luther King Jr. St. Construction is complete for 113,000 sq. ft. building including 129 apartments and 4,800 sq. ft. of retail.
- Catherine Commons. Catherine Street and College Ave. The proposed project would build a six building, 265,000 sqft mixed use development. It would include 360 housing units and commercial space.
- 815, S. Aurora St. – construction is underway for a new three building, 66-unit apartment project.
- 216 Lake St. – Plans are for a 71-unit apartment building. Plans are working through the approval prices A late 2022 construction start is projected.
- 401 East State St. State St. Apartments – plans call for a 6-story 340,000 sq ft. Building with 321 apartments and 235 internal parking spaces. Plans are in final approval.
- 228 Dryden Rd. The Ruby – A 4-story 40-unit apartment building is planned.
- 602 W. Buffalo St. – A 110-bedroom apartment building is planned.
- Agora – site for formal Greenstar space – West End – 600–700-person concert venue, retail, 40-60 room boutique hotel, 20-50 apartments, for-sale townhouses and waterfront amenities is proposed.
- The Helm on Inlet Island – two five-story mixed use buildings with parking are proposed.
- 116 N. Meadow St. – A 5-story 70 unit apartment building is proposed.
- Cornell's McGraw Hall renovation – A $110 million renovation project has site approval.
- Water's Edge – Proposed project consists of the demolition of three existing Department of Transportation buildings and redevelop the 8 acre site into a mixed-use development. This will include two 5-story buildings along the Cayuga Inlet and two 4-story buildings with 450 residential units total and 10,000 sq. ft. of commercial space.

Note: Many of the above listed projects will replace outdated smaller structures.

Source: City of Ithaca Official Statement dated January 31, 2025.

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## Population

The current estimated population of the District is 68,261.

(U.S. Census Bureau, 2019-2023 American Community Survey 5-Year estimate).

## Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the below listed City, Towns, Village of Cayuga Heights (the "Village") and Counties. The figures set below with respect to the City, such Towns, Village, and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the City, Towns, Village or 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 |
| City of: | | | | | | |
| Ithaca | $ 17,346 | $ 23,537 | $ 32,133 | $ 65,935 | $ 98,542 | $122,065 |
| Towns of: | | | | | | |
| Candor | 22,957 | 31,331 | 34,327 | 58,333 | 75,227 | 65,333 |
| Caroline | 25,347 | 35,728 | 46,133 | 62,713 | 79,250 | 109,107 |
| Danby | 31,323 | 42,235 | 57,765 | 81,324 | 80,625 | 120,720 |
| Dryden | 30,866 | 38,363 | 46,586 | 72,596 | 84,360 | 103,667 |
| Enfield | 22,667 | 30,883 | 48,386 | 50,074 | 63,438 | 95,978 |
| Ithaca | 28,086 | 38,732 | 47,686 | 90,909 | 101,271 | 129,469 |
| Lansing | 37,460 | 48,710 | 54,781 | 82,104 | 105,778 | 143,832 |
| Newfield | 22,598 | 34,005 | 38,447 | 55,662 | 72,772 | 87,717 |
| Richford | 20,318 | 26,840 | 37,836 | 55,156 | 64,821 | 86,607 |
| Ulysses | 31,290 | 37,935 | 44,249 | 75,833 | 74,701 | 85,458 |
| Village of: | | | | | | |
| Cayuga Heights | 46,743 | 59,237 | 74,167 | 137,404 | 188,977 | 172,500 |
| Counties of: | | | | | | |
| Tompkins | 25,737 | 34,194 | 42,505 | 72,231 | 87,977 | 111,825 |
| Tioga | 24,596 | 32,298 | 41,155 | 59,907 | 75,656 | 86,598 |
| State of: | | | | | | |
| New York | 30,948 | 40,898 | 49,520 | 67,405 | 87,270 | 105,060 |

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

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

## Major Employers

Some of the major employers located within and/or surrounding the City are as follows:

| Name of Employer | Type of Business | Approximate Number Employed |
|---|---|---|
| Cornell University | Education | 9,100 |
| Cayuga Medical Center at Ithaca | Health Center | 1,800 |
| Ithaca City School District | Education | 1,608 |
| Ithaca College | Education | 1,300 |
| Borg Warner-Axiohm Corporation | Manufacturing | 1,000 |
| Franziska Racker Center | Education/Learning Disability | 870 |
| Tompkins County | Government | 840 |
| Wegmans Food Market | Retail Grocery | 840 |
| Tompkins Cortland Community College | Education | 450 |
| City of Ithaca | Government | 435 |

Note: Information as of January 21, 2025.

Source: City of Ithaca Official Statement dated January 31, 2025 and current District employment figure.

**Unemployment Rate Statistics**

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

**Annual Average**

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Ithaca City | 3.7% | 3.7% | 5.3% | 3.7% | 3.1% | 3.3% | 3.6% |
| Tompkins County | 3.6% | 3.5% | 5.8% | 3.7% | 2.9% | 3.1% | 3.3% |
| Tioga County | 4.3% | 4.0% | 7.5% | 4.4% | 3.3% | 3.3% | 3.5% |
| New York State | 4.1% | 3.8% | 9.9% | 7.1% | 4.3% | 4.1% | 4.3% |

**2025 Monthly Figures**

| | Jan | Feb | Mar | Apr | May | Jun |
|---|---|---|---|---|---|---|
| Ithaca City | 3.4% | 3.6% | 3.4% | 2.8% | N/A | N/A |
| Tompkins County | 3.4 | 3.6 | 3.3 | 2.6 | N/A | N/A |
| Tioga County | 4.5 | 4.8 | 4.1 | 2.9 | N/A | N/A |
| New York State | 4.6 | 4.3 | 4.1 | 3.6 | N/A | N/A |

Note: Unemployment rates for May and June 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, which is the policy-making body of the School District, consists of nine members with overlapping three-year terms. The President and the Vice President are selected by the Board members. The President of the Board is the chief fiscal officer of the School District.

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

**Budgetary Procedures**

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

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

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

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd 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 2024-2025 fiscal year was voted down by qualified voters on May 21, 2024. A revised budget for the 2024-2025 fiscal year was adopted by qualified voters on June 18, 2024 by a vote of 4,979 to 1,736. The revised budget for the 2024-25 fiscal year called for a tax levy increase of 2.92%, which was below the District's maximum allowable tax levy increase of 3.10% for the 2024-25 fiscal year.

The budget for the 2025-2026 fiscal year was voted down by qualified voters on May 20, 2025 by a vote of 3,721 to 1,080. The adopted budget for the 2025-26 fiscal year called for a tax levy increase of 3.76%, which equal to the District's maximum allowable tax levy increase of 3.76% for the 2025-26 fiscal year.

**Investment Policy**

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in or certificates of deposits issued by 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 or revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of New York public benefit corporations which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Special time deposits; (2) Certificates of Deposits; (3) Obligations of the United States of America; (4) Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America. In the case of obligations of the United States Government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian with regular valuation of collateral.

The District does not invest in so-called "derivatives" including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

**State Aid**

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 23.90% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

*Federal aid received by the State*

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

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

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

*Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 58.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

*State Aid History*

*School district fiscal year (2021-2022)*: The State's 2021-22 Budget included $29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which 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 provided $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also 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 allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget 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, the highest level of State aid ever. 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 maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also 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 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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

*State Aid Litigation*

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

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

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

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

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

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.

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**State Aid Revenues**

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, budgeted and unaudited figures for the 2024-2025 fiscal year and budgeted figures for the 2025-2026 fiscal year comprised of State aid:

| Fiscal Year | Total Revenues [1] | Total State Aid | Percentage of Total Revenues Consisting of State Aid |
|---|---|---|---|
| 2019-2020 | $ 132,349,066 | $ 32,332,223 | 24.43% |
| 2020-2021 | 129,442,822 | 30,654,070 | 23.68 |
| 2021-2022 | 137,425,916 | 34,073,222 | 24.79 |
| 2022-2023 | 147,525,956 | 35,254,895 | 23.90 |
| 2023-2024 | 156,010,235 | 38,836,301 | 24.89 |
| 2024-2025 (Budgeted) | 154,268,419 | 37,132,808 | 24.07 |
| 2025-2026 (Budgeted) | 160,534,616 | 38,362,132 | 23.90 |

(1) Does not include appropriated reserves nor appropriated fund balance.

Source: Audited financial statements for the 2019-2020 fiscal year through and including the 2023-2024 fiscal year and adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

**District Facilities**

| Name | Grade | Capacity | Year(s) Built/Additions |
|---|---|---|---|
| Belle Sherman | K-5 | 472 | 1926, 1969, 1995, 2010 |
| Cayuga Heights | K-5 | 467 | 1954, 1956, 1969, 1990 |
| Caroline | K-5 | 522 | 1959, 1965-69, 1990 |
| Beverly J. Martin | K-5 | 421 | 1932, 1955-71, 1983 |
| Enfield | K-5 | 352 | 1959, 1969, 1990 |
| Fall Creek | K-5 | 320 | 1934, 1965-66 |
| North East | K-5 | 600 | 1964, 1969 |
| South Hill | K-5 | 494 | 1949, 1954, 1990 |
| Boynton | 6-9 | 1,215 | 1971 |
| Dewitt | 6-9 | 1,144 | 1971 |
| Lehman Alternative | 6-12 | 299 | 1949, 1952, 2010 |
| Ithaca High School | 9-12 | 1,896 | 1960, 1964, 1983, 1997, 1998, 2010 |
| | Total Capacity | 8,202 | |

Source: District officials.

**Enrollment Trends**

| School Year | Actual Enrollment | School Year | Projected Enrollment |
|---|---|---|---|
| 2020-21 | 5,354 | 2025-26 | 5,400 |
| 2021-22 | 5,302 | 2026-27 | 5,400 |
| 2022-23 | 5,352 | 2027-28 | 5,400 |
| 2023-24 | 5,383 | 2028-29 | 5,400 |
| 2024-25 | 5,346 | 2029-30 | 5,400 |

Source: District officials.

**Employees**

The District employs approximately 1,138 full-time and 475 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

| Employees | Union | Contract Expiration Date |
|---|---|---|
| 573 | Ithaca Teachers' Association | June 30, 2025 [(1)] |
| 265 | Ithaca Substitutes Association | June 30, 2026 |
| 233 | Ithaca Para-Professional Association | June 30, 2026 |
| 279 | Ithaca Service Employees' Association | June 30, 2026 |
| 28 | Principals' and Directors' Association | June 30, 2026 |

[(1)] Currently under negotiations.

Source: District officials.

**Status and Financing of Employee Pension Benefits**

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

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

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

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

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The District is required to make contributions to the Retirement Systems at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2024-2025 and 2025-2026 fiscal years are as follows:

| Fiscal Year | ERS | TRS |
|---|---|---|
| 2019-2020 | $ 1,998,132 | $ 3,690,732 |
| 2020-2021 | 1,948,602 | 4,113,549 |
| 2021-2022 | 2,430,587 | 4,678,252 |
| 2022-2023 | 1,871,927 | 4,750,189 |
| 2023-2024 | 2,523,481 | 5,653,350 |
| 2024-2025 (Budgeted) | 3,134,270 | 5,150,000 |
| 2024-2025 (Unaudited) | 2,905,987 | 5,690,255 |
| 2025-2026 (Budgeted) | 3,134,270 | 5,150,000 |

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. In the 2021-2022 fiscal year, early retirement incentives were offered to three members of the Ithaca Principals and Directors Unit costing $126,000. The District saved $66,947 offering early retirement incentives. The School District does not currently have any early retirement incentive programs.

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

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

| 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* |

*Estimated.

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

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

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

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

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

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

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

**Other Post-Employment Benefits**

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

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

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

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

The District contracted with an Armory Associates, LLC to calculate its actuarial valuation under GASB 75. The following table outlines the changes to the Total OPEB Liability during the 2023 and 2024 fiscal years, by source.

| | | |
|---|---|---|
| Balance beginning at: | July 1, 2022 | July 1, 2023 |
| | $ 336,024,735 | $ 293,061,718 |
| Changes for the year: | | |
| Service cost | 12,083,191 | 10,645,631 |
| Interest on total OPEB liability | 7,357,976 | 10,617,163 |
| Changes in Benefit Terms | - | - |
| Differences between expected and actual experience | 208,527 | - |
| Changes in Assumptions or other inputs | (54,058,225) | (5,413,574) |
| Benefit payments | (8,554,486) | (7,574,993) |
| Net Changes | $ (42,963,017) | $ 8,274,227 |
| **Balance ending at:** | **June 30, 2023** | **June 30, 2024** |
| | **$ 293,061,718** | **$ 301,335,945** |

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

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

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

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

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

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

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

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

**Financial Statements**

The District retains independent certified public accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as "APPENDIX – D". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the School District has complied with the requirements of various State and Federal statutes. Certain financial information of the School District can be found attached as Appendices to the Official Statement.

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

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

**New York State Comptroller Report of Examination**

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

The District has not been audited by the State Comptroller's office in the past five years and there are no State Comptroller audits of the District that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

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

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

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

The classification of the District for the 2020 through 2024 fiscal years is as follows:

| Fiscal Year Ending In | Stress Designation | Fiscal Score |
|---|---|---|
| 2024 | No Designation | 0.0 |
| 2023 | No Designation | 3.3 |
| 2022 | No Designation | 0.0 |
| 2021 | No Designation | 0.0 |
| 2020 | No Designation | 0.0 |

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

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## TAX INFORMATION

### Taxable Valuations

| | | | | | | |
|---|---|---|---|---|---|---|
| Year of District Tax Roll | | 2021 | 2022 | 2023 | 2024 | 2025 |
| Year of Assessment Roll | | 2020 | 2021 | 2022 | 2023 | 2024 |
| **Assessed Valuation** | | | | | | |
| City of: | Ithaca | $ 2,231,050,162 | $ 2,249,380,829 | $ 2,443,837,752 | $ 2,559,793,102 | $ 2,798,496,576 |
| Towns of: | Candor | 2,622,278 | 2,652,242 | 2,652,234 | 2,650,449 | 4,033,786 |
| | Caroline | 220,461,331 | 226,513,309 | 248,276,814 | 277,140,529 | 317,376,163 |
| | Danby | 281,290,782 | 283,919,339 | 321,657,413 | 349,942,425 | 401,763,053 |
| | Dryden | 361,611,752 | 374,039,160 | 384,478,765 | 462,078,403 | 557,325,362 |
| | Enfield | 145,455,654 | 148,608,811 | 164,832,944 | 177,313,386 | 204,129,758 |
| | Ithaca | 1,668,062,312 | 1,699,344,019 | 1,820,279,336 | 1,990,350,160 | 2,292,305,105 |
| | Lansing | 501,202,715 | 513,406,716 | 563,117,873 | 593,474,394 | 659,304,481 |
| | Newfield | 519,122 | 519,328 | 573,383 | 587,918 | 853,878 |
| | Richford | 2,005,984 | 1,982,937 | 2,028,068 | 2,081,730 | 2,773,164 |
| | Ulysses | 177,549,798 | 178,451,361 | 200,684,213 | 223,429,439 | 254,185,677 |
| **Total Assessed Valuation** | | $ 5,591,831,890 | $ 5,678,818,051 | $ 6,152,418,795 | $ 6,638,841,935 | $ 7,492,547,003 |
| **State Equalization Rates** | | | | | | |
| City of: | Ithaca | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Towns of: | Candor | 93.00% | 92.00% | 85.50% | 72.50% | 66.70% |
| | Caroline | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Danby | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Dryden | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Enfield | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Ithaca | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Lansing | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Newfield | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Richford | 92.00% | 96.00% | 92.00% | 80.50% | 74.50% |
| | Ulysses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| **Total Full Valuation** | | $ 5,592,203,699 | $ 5,679,131,303 | $ 6,153,044,943 | $ 6,640,351,548 | $ 7,495,510,076 |

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

| Fiscal Year Ending June 30: | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| City of: | | | | | |
| Ithaca | $ 16.59 | $ 16.84 | $ 16.84 | $ 16.22 | $ 14.80 |
| Town of: | | | | | |
| Candor | 17.84 | 18.30 | 19.69 | 22.37 | 22.18 |
| Caroline | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |
| Danby | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |
| Dryden | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |
| Enfield | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |
| Ithaca | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |
| Lansing | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |
| Newfield | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |
| Richford | 18.03 | 17.54 | 18.30 | 20.15 | 19.86 |
| Ulysses | 16.59 | 16.84 | 16.84 | 16.22 | 14.80 |

Source: District officials.

**Tax Levy and Tax Collection Record**

| Fiscal Year Ending June 30: | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Total Tax Levy | $ 92,777,822 | $ 95,525,491 | $ 103,604,000 | $ 107,714,290 | $ 110,862,167 |
| Amount Uncollected [1] | 3,216,044 | 4,217,726 | 3,935,537 | 3,777,520 | 3,984,859 |
| % Uncollected | 3.47% | 4.42% | 3.80% | 3.51% | 3.72% |

[1] School District taxes are made whole by the respective Counties and City. See "Tax Collection Procedure".

Source: District officials.

**Tax Collection Procedure**

The School District levies its own taxes prior to the end of September, and collects such taxes, which are due during October without penalty. Penalties for delinquent taxes are as follows: 2% in November and 3% in December after which the delinquent taxes are turned over to the City Tax Collector for those properties within the City and to the respective County Treasurers for those properties outside the City.

The School District receives the full amount of all the uncollected taxes on property outside the City from the Counties by the end of its fiscal year, and the full amount of uncollected taxes on property within the City during the next fiscal year.

**Real Property Tax Revenues**

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, budgeted and unaudited figures for the 2023-2024 fiscal year and budgeted figures for the 2024-2025 fiscal year comprised of Real Property Taxes and Tax Items.

| Fiscal Year | Total Revenues [1] | Total Real Property Taxes & Tax Items | Percentage of Total Revenues Consisting of Real Property Taxes |
|---|---|---|---|
| 2019-2020 | $132,349,066 | $ 92,296,640 | 69.74% |
| 2020-2021 | 129,442,822 | 93,802,475 | 72.47 |
| 2021-2022 | 137,425,916 | 98,081,537 | 71.37 |
| 2022-2023 | 147,525,956 | 106,019,427 | 71.86 |
| 2023-2024 | 156,010,235 | 109,362,943 | 70.10 |
| 2024-2025 (Budgeted) | 154,268,419 | 112,985,111 | 73.24 |
| 2025-2026 (Budgeted) | 160,534,616 | 117,571,984 | 73.24 |

[1] Does not include appropriated reserves nor appropriated fund balance.

Source: District Officials.

**Ten Largest Taxpayers - 2024 Assessment Roll for 2024-2025 District Tax Roll**

| Name | Type | Taxable Assessed Valuation |
|---|---|---|
| NYS Electric and Gas | Utility | $ 171,425,441 |
| BHE GT S (Previously named Dominion Resources) | Utility | 114,781,284 |
| Kendal at Ithaca | Senior Housing | 37,440,000 |
| VVAPhase I, II, LLC | Student Housing | 36,609,000 |
| VVA Phase III, LLC | Student Housing | 27,600,000 |
| Maguire Farm Lmtd Partnership | Agriculture | 26,190,000 |
| 312 College Ave Assoc 2 LLC | Apartments | 25,500,000 |
| HRSE Ithaca Lux Lofts | Apartments | 25,200,000 |
| PG East Pointe Apts LLC | Apartments | 25,000,000 |
| Student Agencies Property | Apartments | 22,800,000 |

The larger taxpayers listed above have a total assessed valuation of $512,545,695 which represents 6.84% of the tax base of the School District.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings are within acceptable norms and are not expected to have a material impact on the District's finances.

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 $98,700 or less in the 2024-2025 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $84,000 of the full value of a home for the 2024-2025 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

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

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

| Municipality | Enhanced Exemption | Basic Exemption | Date Certified |
|---|---|---|---|
| Town of: | | | |
| Candor | $57,430 | $20,320 | 4/10/2025 |
| Caroline | 86,100 | 30,260 | 4/10/2025 |
| Danby | 86,100 | 30,260 | 4/10/2025 |
| Dryden | 86,100 | 30,260 | 4/10/2025 |
| Enfield | 86,100 | 30,260 | 4/10/2025 |
| Ithaca | 86,100 | 30,260 | 4/10/2025 |
| Lansing | 86,100 | 30,260 | 4/10/2025 |
| Newfield | 86,100 | 30,260 | 4/10/2025 |
| Richford | 64,140 | 22,350 | 4/10/2025 |
| Ulysses | 86,100 | 30,260 | 4/10/2025 |
| City of: | | | |
| Ithaca | 86,100 | 30,260 | 4/10/2025 |

$3,594,437 of the District's $110,052,520 school tax levy for 2024-25 was exempt by the STAR Program. The District received reimbursement of such exempt taxes from the State in January 2025.

Approximately $3,500,000 of the District's $115,031,984 school tax levy for 2025-26 is expected to be exempt by the STAR Program. The District expects to receive reimbursement of such exempt taxes from the State in January 2026.

Source: District officials and State of New York Department of Taxation and Finance.

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**Additional Tax Information**

Senior citizens' exemptions from School District taxes are offered to those who qualify.

The assessment roll of the School District is constituted approximately as follows: 31% commercial, 1% industrial and 68% residential.

The total property tax bill of a typical residence with a market value of $150,000 is estimated to be $5,106 including County, City, 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. 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, which applies to the Notes.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On

March 16, 2015, a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016, the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals. See also "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which included a challenge to the supermajority requirements regarding school district property tax increases.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 varied based on a taxpayer's personal income level and STAR tax savings; the program was fully phased in during 2019. Under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. For taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 20 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, and Chapter 20 does provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

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

## STATUS OF INDEBTEDNESS

### Constitutional Requirements

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

<u>Purpose and Pledge</u>. 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 principal of and interest thereon.

<u>Payment and Maturity</u>. 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; and unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The 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.

<u>Debt Limit</u>. 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 five per centum of the average 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 five completed assessment rolls and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

**Statutory Procedure**

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

The 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. This includes voter approval of bond resolutions authorizing the issuance of bonds, and notes in anticipation of the bonds.

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

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

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

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

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

Except on rare occasions, the School District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

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

**Debt Outstanding End of Fiscal Year**

| Fiscal Year Ending June 30: | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Bonds | $ 44,360,000 | $ 38,220,000 | $ 53,135,000 | $ 45,355,000 | $75,240,000 |
| Bond Anticipation Notes | 10,000,000 | 24,000,000 | 17,000,000 | 23,965,000 | 36,655,000 (1) |
| Revenue Anticipation Notes | 0 | 0 | 0 | 0 | 0 |
| Energy Performance Contract (2) | 8,010,811 | 7,384,512 | 6,745,656 | 6,093,992 | 5,429,262 |
| Total Debt Outstanding | $ 62,370,811 | $ 69,604,512 | $ 76,880,656 | $ 75,413,992 | $117,324,262 |

(1) Includes $20,000,000 which was permanently financed through the issue of Bonds on June 15, 2024.

(2) Energy performance contracts financings do not constitute debt for Local Finance Law purposes; however, they are included for purposes of calculating the debt limit of the District. See "Energy Performance Contract Financing Agreement" herein.

Note: Totals above do not include advance refunded serial bonds outstanding, where applicable.

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 17, 2025.

| Type of Indebtedness | Maturity | | Amount |
|---|---|---|---|
| Bonds | 2025-2039 | | $ 70,085,000 |
| Bond Anticipation Notes | | | |
| Capital Project | July 11, 2025 | | 36,605,000 [1] |
| | | Total Indebtedness: | $106,690,000 |

[1] To be partially redeemed and renewed at maturity with the proceeds of the Notes and $50,000 available funds of the District.

**Debt Statement Summary**

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 17, 2025:

| | | | |
|---|---|---|---|
| Full Valuation of Taxable Real Property | | | $ 7,495,510,076 |
| Debt Limit 10% thereof | | | 749,551,007 |
| Inclusions: | | | |
| Bonds | $ 70,085,000 | | |
| Bond Anticipation Notes (BANs): | 36,605,000 | | |
| Total Inclusions prior to issuance of the Notes | 106,690,000 | | |
| Less: BANs being redeemed from appropriations | (50,000) | | |
| Add: New money proceeds of the Notes | - | | |
| Total Net Inclusions after issuance of the Notes | | $106,640,000 | |
| Exclusions: | | | |
| State Building Aid [1] | $ 0 | | |
| Total Exclusions | | $ 0 | |
| Total Net Indebtedness [2] | | | $ 106,640,000 |
| Net Debt-Contracting Margin [2] | | | $ 642,911,007 |
| The percent of debt contracting power exhausted is [2] | | | 14.23% |

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. The District, as a school district located in a city, may not under Section 121.20 of the Local Finance Law exclude from gross indebtedness estimated State aid for school building purposes. As noted above, the District receives New York State debt service building aid in an amount approximating 58.1% of its outstanding debt. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

[2] Does not include Energy Performance Contract financing.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the constitutional debt limit of the District. $4,751,204.15 is currently outstanding under an energy performance contract financing is also not included in this total. See "Energy Performance Contract Agreement" herein.

**Bonded Debt Service**

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

**Cash Flow Borrowings**

Prior to the issuance of $6,500,000 Revenue Anticipation Notes on April 5, 2016 that matured on October 21, 2016, the School District had not issued revenue or tax anticipation notes since 2007. The District does not expect to issue additional revenue or tax anticipation notes nor budget or deficiency notes in the foreseeable future.

**Capital Project Plans & Estimate of Obligations to be Issued**

On May 21, 2019, District voters approved a $120 million capital improvement project for the construction and reconstruction of various District buildings and facilities. Borrowings for the project have been and continue to occur in phases upon approval from the New York State Education Department and as the project's cash flow needs warrant. Currently the District has $36,605,000 bond anticipation notes outstanding and maturing on July 11, 2025. The Notes are being issued, along with $50,000 available funds of the District to partially redeem and renew the bond anticipation notes maturing July 11, 2025. To date, the District has $19,000,000 remaining authorized and unborrowed for the aforementioned project.

There are no other capital projects authorized at the present time. The District is in the preliminary stages of planning its next capital project referendum however a scope, a referendum amount nor referendum date have been determined as of the date of this Official Statement.

**Energy Performance Contract Financing Agreement**

The School District has entered into an energy performance contract agreement with Trane, Inc. The School District expects to realize savings from said energy efficiency improvements. The energy performance contract closed on August 26, 2016 in the amount of $9,726,615 with an interest rate of 1.995%. Payments in the amount of approximately $783,000 are scheduled to be made annually in the fiscal years 2018 through 2031 and $391,000 in the fiscal year ending 2032. The remaining principal balance as of June 17, 2025 is $4,751,204.15.

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**Estimated Overlapping Indebtedness**

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

| Municipality | Status of Debt as of | Gross Indebtedness [1] | | Exclusions [2] | | Net Indebtedness | District Share | Applicable Indebtedness |
|---|---|---|---|---|---|---|---|---|
| County of: | | | | | | | | |
| Tompkins | 1/24/2025 | $ 60,453,000 | (3) | $ 5,700,000 | | $ 54,753,000 | 66.24% | $ 36,268,387 |
| Tioga | 6/28/2024 | 3,675,000 | (3) | - | | 3,675,000 | 0.18% | 6,615 |
| City of: | | | | | | | | |
| Ithaca | 1/31/2025 | 149,208,270 | (3) | 34,322,895 | | 114,885,375 | 100.00% | 114,885,375 |
| Town of: | | | | | | | | |
| Candor | 12/31/2023 | - | (4) | - | (5) | - | 0.99% | - |
| Caroline | 12/31/2023 | 95,276 | (4) | - | (5) | 95,276 | 81.30% | 77,459 |
| Danby | 12/31/2023 | 560,220 | (4) | - | (5) | 560,220 | 83.95% | 470,305 |
| Dryden | 12/31/2024 | 6,710,973 | (3) | 883,730 | | 5,827,243 | 32.05% | 1,867,631 |
| Enfield | 12/31/2023 | 897,204 | (4) | - | (5) | 897,204 | 68.23% | 612,162 |
| Ithaca | 6/28/2024 | 10,279,502 | (3) | 8,357,952 | | 1,921,550 | 99.98% | 1,921,166 |
| Lansing | 12/31/2023 | 2,593,758 | (4) | - | (5) | 2,593,758 | 34.23% | 887,843 |
| Newfield | 12/31/2023 | 2,612,946 | (4) | - | (5) | 2,612,946 | 0.16% | 4,181 |
| Richford | 12/31/2023 | 123,500 | (4) | - | (5) | 123,500 | 2.87% | 3,544 |
| Ulysses | 12/31/2023 | 159,000 | (4) | - | (5) | 159,000 | 32.08% | 51,007 |
| Village of: | | | | | | | | |
| Cayuga Heights | 5/31/2023 | 7,263,768 | (4) | - | (5) | 7,263,768 | 100.00% | 7,263,768 |
| | | | | | | | Total: | $ 164,319,444 |

(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.

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**Debt Ratios**

The following table sets forth certain ratios relating to the District's indebtedness as of June 17, 2025:

| | Amount | Per Capita [(a)] | Percentage of Full Value [(b)] |
|---|---|---|---|
| Net Indebtedness [(c)] | $106,640,000 | $ 1,562.24 | 1.42% |
| Net Indebtedness Plus Net Overlapping Indebtedness [(d)] | 270,959,444 | 3,969.46 | 3.61 |

(a) The current estimated population of the District is 68,261. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for 2024-2025 is $7,495,510,076. (See "TAX INFORMATION – Taxable Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $164,319,444. (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 Notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

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

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

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

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

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

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

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

## MARKET AND RISK FACTORS

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

The financial 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.

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

## 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 Compliance

The District failed to provide its Annual Financial and Operating Data ("AFIOD") for the fiscal year ended June 30, 2022 within the time required under continuing disclosure undertakings of the District. The AFIOD was due to be filed to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") website no later than December 27, 2022 (180 days after the fiscal year end) but was not filed to EMMA until December 28, 2023. A failure to provide annual financial information notice was filed to EMMA on January 10, 2023.

Other than as stated above, 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 Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate 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 – E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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 ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes 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 exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect 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, 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 owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

## 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.

## RATING

The Notes are <u>not</u> rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings and may require supplementation of the final official statement depending on timing of the rating release. (See "APPENDIX - C" herein.).

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

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

## MUNICIPAL ADVISOR

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

## 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.

Orrick, Herrington & Sutcliffe LLP, New York, 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.

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

The District's Bond Counsel contact information is as follows: Douglas E. Goodfriend, Esq., Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, New York, New York 10019, Phone: (212) 506-5211, Fax: (212) 506-5151, Email: dgoodfriend@orrick.com.

The District's contact information is as follows: Mr. Dominick Lisi, Assistant Superintendent for Business, 400 Lake Street – P.O. Box 549, Ithaca, New York 14851, telephone (607) 274-2124, email dominick.lisi@icsd.k12.ny.us.

**CITY SCHOOL DISTRICT OF THE CITY OF ITHACA**

**Dated: June 17, 2025**

**DR. SEAN EVERSLEY BRADWELL**
**PRESIDENT OF THE BOARD OF EDUCATION AND**
**CHIEF FISCAL OFFICER**

**GENERAL FUND**

**Balance Sheets**

| Fiscal Years Ending June 30: | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Unrestricted Cash | $ 13,897,543 | $ 14,720,051 | $ 12,632,611 | $ 11,759,412 | $ 15,051,326 |
| Restricted Cash | 12,011,991 | 12,176,240 | 14,922,761 | 16,028,012 | - |
| Investments | - | - | - | - | 20,530,065 |
| Taxes Receivable | 1,951,612 | 2,228,053 | 2,151,087 | 1,437,887 | 3,054,085 |
| Due from Other Funds | 2,369,025 | 4,687,559 | 6,009,660 | 11,423,695 | 5,450,472 |
| State and Federal Aid Receivable | 949,197 | 821,002 | 1,721,460 | 1,613,320 | 2,583,403 |
| Due from Other Governments | 2,102,382 | 1,990,929 | 1,951,002 | 2,380,991 | 2,422,919 |
| Due from Fiduciary Funds | - | - | - | - | - |
| Other Receivables, Net | 217,678 | 107,185 | 266,909 | 241,010 | 498,370 |
| Prepaid Items | 1,954,196 | - | - | - | - |
| TOTAL ASSETS | $ 35,453,624 | $ 36,731,019 | $ 39,655,490 | $ 44,884,327 | $ 49,590,640 |
| LIABILITIES AND FUND EQUITY | | | | | |
| Accounts Payable | $ 246,020 | $ 603,889 | $ 572,157 | $ 644,283 | $ 1,211,116 |
| Accrued Liabilities | 744,348 | 832,904 | 858,839 | 1,030,222 | 1,253,296 |
| Due to Other Funds | 667,654 | 373,721 | 916,440 | 1,314,849 | 3,263,777 |
| Other Liabilities | - | 51,443 | - | 15,441 | 66,994 |
| Due to Other Governments | - | - | - | - | - |
| Due to Teachers' Retirement System | 4,322,637 | 4,701,712 | 5,155,271 | 5,685,008 | 5,741,661 |
| Due to Employees' Retirement System | 621,535 | 438,369 | 405,186 | 451,270 | 602,022 |
| Compensated Absences | 766,561 | 734,460 | 756,890 | 791,886 | 749,824 |
| Overpayments & Deferred Revenues | 877,519 | 1,673,791 | 1,248,635 | 1,043,034 | 1,895,693 |
| TOTAL LIABILITIES | $ 8,246,274 | $ 9,410,289 | $ 9,913,418 | $ 10,975,993 | $ 14,784,383 |
| FUND EQUITY | | | | | |
| Nonspendable | $ 1,954,196 | $ - | $ - | $ - | $ - |
| Restricted | 11,344,377 | 12,071,240 | 14,139,541 | 15,985,794 | 16,314,987 |
| Assigned | 8,051,440 | 8,750,577 | 10,022,900 | 11,767,694 | 12,179,457 |
| Unassigned | 5,857,337 | 6,498,913 | 5,579,631 | 6,154,846 | 6,311,813 |
| TOTAL FUND EQUITY | $ 27,207,350 | $ 27,320,730 | $ 29,742,072 | $ 33,908,334 | $ 34,806,257 |
| TOTAL LIABILITIES and FUND EQUITY | $ 35,453,624 | $ 36,731,019 | $ 39,655,490 | $ 44,884,327 | $ 49,590,640 |

(1) Decline from prior year due to the District's decision to fund the Capital Reserve in lieu of the unassigned fund balance.

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

## GENERAL FUND

### Revenues, Expenditures and Changes in Fund Balance

| Fiscal Years Ending June 30: | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Real Property Taxes | $ 82,365,944 | $ 85,892,871 | $ 87,636,201 | $ 91,686,032 | $ 99,874,065 |
| Other Tax Items | 6,852,422 | 6,403,769 | 6,166,274 | 6,395,505 | 6,145,362 |
| Charges for Services | 621,496 | 594,386 | 578,285 | 592,980 | 605,223 |
| Use of Money & Property | 996,266 | 721,600 | 206,844 | 270,746 | 1,516,015 |
| Sale of Property and Compensation for Loss | 66,525 | 84,267 | 101,523 | 146,919 | 75,093 |
| Miscellaneous | 2,517,195 | 5,870,651 | 2,841,487 | 3,862,448 | 3,614,776 |
| Revenues from State Sources | 32,109,344 | 32,332,223 | 30,654,070 | 34,073,222 | 35,254,895 |
| Revenues from Federal Sources | 347,195 | 324,693 | 1,072,104 | 398,064 | 440,527 |
| Total Revenues | $ 125,876,387 | $ 132,224,460 | $ 129,256,788 | $ 137,425,916 | $ 147,525,956 |
| Other Sources: | | | | | |
| Interfund Transfers | 673,717 | 124,606 | 186,034 | - | - |
| Total Revenues and Other Sources | $ 126,550,104 | $ 132,349,066 | $ 129,442,822 | $ 137,425,916 | $ 147,525,956 |
| EXPENDITURES | | | | | |
| General Support | $ 15,439,934 | $ 17,315,391 | $ 16,206,137 | $ 16,158,238 | $ 17,222,272 |
| Instruction | 60,188,581 | 62,306,285 | 65,608,158 | 66,916,585 | 71,730,329 |
| Pupil Transportation | 5,214,110 | 4,947,666 | 5,252,674 | 6,826,559 | 6,761,889 |
| Community Services | 4,361 | - | - | - | - |
| Employee Benefits | 34,056,696 | 28,931,251 | 31,311,446 | 32,243,392 | 34,436,014 |
| Debt Service | 8,771,956 | 8,492,526 | 8,629,511 | 10,943,346 | 11,449,398 |
| Total Expenditures | $ 123,675,638 | $ 121,993,119 | $ 127,007,926 | $ 133,088,120 | $ 141,599,902 |
| Other Uses: | | | | | |
| Interfund Transfers | 1,776,893 | 4,232,288 | 2,321,516 | 1,916,454 | 1,759,782 |
| Total Expenditures and Other Uses | $ 125,452,531 | $ 126,225,407 | $ 129,329,442 | $ 135,004,574 | $ 143,359,684 |
| Excess (Deficit) Revenues Over Expenditures | 1,097,573 | 6,123,659 | 113,380 | 2,421,342 | 4,166,272 |
| FUND BALANCE | | | | | |
| Fund Balance - Beginning of Year | 19,986,118 | 21,083,691 | 27,207,350 | 27,320,730 | 29,742,072 |
| Prior Period Adjustments (net) | - | - | - | - | - |
| Fund Balance - End of Year | $ 21,083,691 | $ 27,207,350 | $ 27,320,730 | $ 29,742,072 | $ 33,908,344 |

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

## GENERAL FUND

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

| Fiscal Years Ending June 30: | 2024 | | | 2025 (1) | 2026 |
|---|---|---|---|---|---|
| | Adopted Budget | Final Budget | Audited Actual | Adopted Budget | Adopted Budget |
| REVENUES | | | | | |
| Real Property Taxes | $ 107,714,290 | $ 104,007,741 | $ 103,204,799 | $ 110,862,167 | $ 115,031,984 |
| Other Tax Items | 2,093,710 | 5,800,259 | 6,158,144 | 2,122,944 | 2,540,000 |
| Charges for Services | 410,500 | 494,255 | 889,377 | 650,500 | 650,500 |
| Use of Money & Property | 495,000 | 495,000 | 2,538,109 | 825,000 | 975,000 |
| Sale of Property and Compensation for Loss | - | 244,375 | 425,472 | - | - |
| Miscellaneous | 2,250,000 | 2,314,500 | 3,604,705 | 2,500,000 | 2,800,000 |
| Revenues from State Sources | 36,705,901 | 36,705,901 | 38,836,301 | 37,132,808 | 38,362,132 |
| Revenues from Federal Sources | 175,000 | 175,000 | 353,328 | 175,000 | 175,000 |
| Total Revenues | $ 149,844,401 | $ 150,237,031 | $ 156,010,235 | $ 154,268,419 | $ 160,534,616 |
| Other Sources: | | | | | |
| Interfund Transfers | - | - | - | - | - |
| Total Revenues and Other Sources | $ 149,844,401 | $ 150,237,031 | $ 156,010,235 | $ 154,268,419 | $ 160,534,616 |
| EXPENDITURES | | | | | |
| General Support | $ 19,474,408 | $ 20,483,512 | $ 18,647,554 | $ 19,753,577 | $ 20,404,554 |
| Instruction | 78,801,280 | 81,932,523 | 79,281,942 | 81,224,496 | 85,465,454 |
| Pupil Transportation | 8,723,380 | 7,106,080 | 6,308,361 | 7,813,620 | 8,213,059 |
| Community Services | 13,000 | 13,000 | - | 13,000 | 13,000 |
| Employee Benefits | 38,513,277 | 38,185,387 | 36,619,578 | 40,632,262 | 41,260,542 |
| Debt Service | 11,352,534 | 12,442,534 | 12,424,643 | 11,517,454 | 11,536,253 |
| Total Expenditures | $ 156,877,879 | $ 160,163,036 | $ 153,282,078 | $ 160,954,409 | $ 166,892,862 |
| Other Uses: | | | | | |
| Interfund Transfers | 1,710,201 | 1,841,689 | 1,830,234 | 2,057,689 | 2,138,757 |
| Total Expenditures and Other Uses | $ 158,588,080 | $ 162,004,725 | $ 155,112,312 | $ 163,012,098 | $ 169,031,619 |
| Excess (Deficit) Revenues Over Expenditures | (8,743,679) | (11,767,694) | 897,923 | (8,743,679) | (8,497,003) |
| FUND BALANCE | | | | | |
| Fund Balance - Beginning of Year | 8,743,679 | 3,024,015 | 33,908,334 | 8,743,679 | 8,497,003 |
| Appropriated Fund Balance | - | 8,743,679 | - | - | - |
| Fund Balance - End of Year | $ - | $ - | $ 34,806,257 | $ - | $ - |

(1) - The original budget was defeated by the voters on May 21, 2024. District voters approved a reworked budget on June 18, 2024.

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

## BONDED DEBT SERVICE

| Fiscal Year Ending June 30th | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 5,155,000 | $ 3,880,060 | $ 9,035,060 |
| 2026 | 6,095,000 | 2,686,019 | 8,781,019 |
| 2027 | 6,340,000 | 2,448,825 | 8,788,825 |
| 2028 | 6,580,000 | 2,200,269 | 8,780,269 |
| 2029 | 6,825,000 | 1,953,825 | 8,778,825 |
| 2030 | 7,075,000 | 1,710,769 | 8,785,769 |
| 2031 | 4,415,000 | 1,504,975 | 5,919,975 |
| 2032 | 4,055,000 | 1,345,600 | 5,400,600 |
| 2033 | 4,215,000 | 1,187,275 | 5,402,275 |
| 2034 | 4,375,000 | 1,021,725 | 5,396,725 |
| 2035 | 4,555,000 | 848,975 | 5,403,975 |
| 2036 | 4,740,000 | 668,125 | 5,408,125 |
| 2037 | 3,860,000 | 479,075 | 4,339,075 |
| 2038 | 3,395,000 | 302,875 | 3,697,875 |
| 2039 | 3,560,000 | 131,000 | 3,691,000 |
| TOTALS | $ 75,240,000 | $ 22,369,391 | $ 97,609,391 |

**CURRENT BONDS OUTSTANDING**

| Fiscal Year Beginning June 30th | 2015 Reconstruction Principal | Interest | Total | 2015 Refunding of 2010 Series Bonds Principal | Interest | Total |
|---|---|---|---|---|---|---|
| 2025 | $ 440,000 | $ 85,050 | $ 525,050 | $ 865,000 | $ 226,825 | $ 1,091,825 |
| 2026 | 450,000 | 74,756 | 524,756 | 905,000 | 182,575 | 1,087,575 |
| 2027 | 460,000 | 63,663 | 523,663 | 950,000 | 136,200 | 1,086,200 |
| 2028 | 475,000 | 51,381 | 526,381 | 995,000 | 87,575 | 1,082,575 |
| 2029 | 485,000 | 37,575 | 522,575 | 1,030,000 | 47,250 | 1,077,250 |
| 2030 | 500,000 | 22,800 | 522,800 | 1,060,000 | 15,900 | 1,075,900 |
| 2031 | 510,000 | 7,650 | 517,650 | - | - | - |
| TOTALS | $ 3,320,000 | $ 342,875 | $ 3,662,875 | $ 5,805,000 | $ 696,325 | $ 6,501,325 |

| Fiscal Year Beginning June 30th | 2016 Refunding of 2010 & 2011 Series Bonds Principal | Interest | Total | 2020 Refunding of 2012 Series Bonds Principal | Interest | Total |
|---|---|---|---|---|---|---|
| 2025 | $ 910,000 | $ 153,613 | $ 1,063,613 | $ 535,000 | $ 166,950 | $ 701,950 |
| 2026 | 945,000 | 121,238 | 1,066,238 | 555,000 | 142,375 | 697,375 |
| 2027 | 975,000 | 92,438 | 1,067,438 | 590,000 | 113,750 | 703,750 |
| 2028 | 1,000,000 | 62,813 | 1,062,813 | 625,000 | 83,375 | 708,375 |
| 2029 | 1,030,000 | 35,775 | 1,065,775 | 660,000 | 51,250 | 711,250 |
| 2030 | 1,055,000 | 11,869 | 1,066,869 | 695,000 | 17,375 | 712,375 |
| TOTALS | $ 5,915,000 | $ 477,744 | $ 6,392,744 | $ 3,660,000 | $ 575,075 | $ 4,235,075 |

| Fiscal Year Beginning June 30th | 2021 Capital Project Principal | Interest | Total | 2023 DASNY Bonds - Capital Project Principal | Interest | Total |
|---|---|---|---|---|---|---|
| 2025 | $ 1,335,000 | $ 371,400 | $ 1,706,400 | $ 230,000 | $ 1,700,717 | $ 1,930,717 |
| 2026 | 1,365,000 | 344,700 | 1,709,700 | 985,000 | 948,375 | 1,933,375 |
| 2027 | 1,395,000 | 317,400 | 1,712,400 | 1,035,000 | 897,875 | 1,932,875 |
| 2028 | 1,420,000 | 289,500 | 1,709,500 | 1,085,000 | 844,875 | 1,929,875 |
| 2029 | 1,445,000 | 261,100 | 1,706,100 | 1,145,000 | 789,125 | 1,934,125 |
| 2030 | 1,475,000 | 232,200 | 1,707,200 | 1,205,000 | 730,375 | 1,935,375 |
| 2031 | 1,505,000 | 202,700 | 1,707,700 | 1,265,000 | 668,625 | 1,933,625 |
| 2032 | 1,535,000 | 172,600 | 1,707,600 | 1,330,000 | 603,750 | 1,933,750 |
| 2033 | 1,565,000 | 141,900 | 1,706,900 | 1,395,000 | 535,625 | 1,930,625 |
| 2034 | 1,600,000 | 110,600 | 1,710,600 | 1,465,000 | 464,125 | 1,929,125 |
| 2035 | 1,630,000 | 78,600 | 1,708,600 | 1,545,000 | 388,875 | 1,933,875 |
| 2036 | 1,665,000 | 46,000 | 1,711,000 | 1,625,000 | 309,625 | 1,934,625 |
| 2037 | 635,000 | 12,700 | 647,700 | 1,705,000 | 226,375 | 1,931,375 |
| 2038 | - | - | - | 1,795,000 | 138,875 | 1,933,875 |
| 2039 | - | - | - | 1,880,000 | 47,000 | 1,927,000 |
| TOTALS | $ 18,570,000 | $ 2,581,400 | $ 21,151,400 | $ 19,690,000 | $ 9,294,217 | $ 28,984,217 |

| Fiscal Year Beginning June 30th | 2024 DASNY Bonds - Capital Project Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 840,000 | $ 1,175,506 | $ 2,015,506 |
| 2026 | 890,000 | 872,000 | 1,762,000 |
| 2027 | 935,000 | 827,500 | 1,762,500 |
| 2028 | 980,000 | 780,750 | 1,760,750 |
| 2029 | 1,030,000 | 731,750 | 1,761,750 |
| 2030 | 1,085,000 | 680,250 | 1,765,250 |
| 2031 | 1,135,000 | 626,000 | 1,761,000 |
| 2032 | 1,190,000 | 569,250 | 1,759,250 |
| 2033 | 1,255,000 | 509,750 | 1,764,750 |
| 2034 | 1,310,000 | 447,000 | 1,757,000 |
| 2035 | 1,380,000 | 381,500 | 1,761,500 |
| 2036 | 1,450,000 | 312,500 | 1,762,500 |
| 2037 | 1,520,000 | 240,000 | 1,760,000 |
| 2038 | 1,600,000 | 164,000 | 1,764,000 |
| 2039 | 1,680,000 | 84,000 | 1,764,000 |
| TOTALS | $ 18,280,000 | $ 8,401,756 | $ 26,681,756 |

## MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the 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 has agreed to provide, or course to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

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 Note within the meaning of the Rule. The Issuer 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 Note 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 School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

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

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# CITY SCHOOL DISTRICT OF THE CITY OF ITHACA
## TOMPKINS AND TIOGA COUNTIES, NEW YORK

### FINANCIAL STATEMENTS
### AND OTHER FINANCIAL INFORMATION

### JUNE 30, 2024

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

# ITHACA
# CITY SCHOOL DISTRICT

## Ithaca, New York

## FINANCIAL REPORT

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

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Certified Public Accountants | Business Advisors

# *ITHACA CITY SCHOOL DISTRICT*

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# INDEPENDENT AUDITORS' REPORT

Board of Education
Ithaca City School District
Ithaca, New York

## Report on the Audit of the Financial Statements

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2024, and the respective changes in financial position 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 School District's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison schedules; the Schedules of School District's Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the District's Total OPEB Liability and Related Ratios; and related notes 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 GAAS, 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 School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; Ten Year Comparative Schedules of Actual Revenues and Expenditures - General Fund; Balance Sheet - Non-Major Governmental Funds; Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information); and Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 School District's internal control over financial reporting and compliance.

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 14, 2024

# *ITHACA CITY SCHOOL DISTRICT*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**JUNE 30, 2024**

The following is a discussion and analysis of the Ithaca City School District's (the School District) financial performance for the fiscal year ended June 30, 2024. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-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. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.

- The remaining statements are Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds with all other Non-Major Funds listed in total in one column. The Proprietary Fund financial statements concentrate on the School District's health insurance plan. The Fiduciary Fund financial statements concentrate on resources that the School District manages on behalf of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year; a Schedule of Changes in the School District's Total OPEB Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits; and Schedules of School District Contributions and the School District's Proportionate Share of the Net Pension Liability related to the School District's pension obligations.

### District-Wide Financial Statements

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

The two District-wide financial statements report the School District's net position and how it has changed. Net Position (the difference between the School District's assets, deferred outflows of resources, and the School District's liabilities and inflows of financial resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

**Fund Financial Statements**

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

- Governmental Funds: Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Funds financial statements explains the relationship (or differences) between them.

- Proprietary Funds: When the School District charges customers for the services it provides, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Internal Service Funds (a component of Proprietary Funds) are used to report activities that provide supplies and services for the School District's other programs and activities such as the administration of health insurance.

- Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activities Funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position *(Figure 2)* of the School District's Governmental Activities.

***Figure 1***

| *Condensed Statement of Net Position* | *Governmental Activities and Total School District* | | *Total Dollar Change* |
|---|---|---|---|
| | *2024* | *2023* | |
| *Current Assets* | **$ 57,542,744** | $ 31,543,933 | $ 25,998,811 |
| *Noncurrent Assets* | **16,977,821** | 18,333,977 | (1,356,156) |
| *Capital Assets, Net* | **187,628,533** | 173,011,744 | 14,616,789 |
| ***Total Assets*** | **$ 262,149,098** | $ 222,889,654 | $ 39,259,444 |
| ***Total Deferred Outflows of Resources*** | **$ 57,066,860** | $ 69,418,105 | $ (12,351,245) |
| *Current Liabilities* | **61,194,410** | 49,656,977 | 11,537,433 |
| *Noncurrent Liabilities* | **375,499,048** | 353,623,449 | 21,875,599 |
| ***Total Liabilities*** | **$ 436,693,458** | $ 403,280,426 | $ 33,413,032 |
| ***Total Deferred Inflows of Resources*** | **$ 60,339,223** | $ 74,928,301 | $ (14,589,078) |
| *Net Investment in Capital Assets* | **93,399,923** | 91,079,286 | 2,320,637 |
| *Restricted* | **20,286,301** | 19,054,590 | 1,231,711 |
| *Unrestricted* | **(291,502,947)** | (296,034,844) | 4,531,897 |
| ***Total Net (Deficit)*** | **$(177,816,723)** | $(185,900,968) | $ 8,084,245 |

Significant changes from the prior year are as follows:

- Current assets increased primarily due to increases in cash and investments in the General Fund; increases in taxes receivable; and increased cash in the Capital Projects Fund from short-term debt.
- Capital assets increased due to current year capital outlay exceeding depreciation expense.
- The changes in deferred inflows of resources - pensions, and deferred outflows of resources - pensions, are related to changes in the actuarially determined proportionate share of the pension systems plan's net pension (asset)/liability and related deferred outflows and inflows of resources.
- The increase in current liabilities is largely due to a new bond anticipation note issued in the current year to fund capital projects.
- The change in noncurrent liabilities along with changes in deferred outflows of resources - OPEB, and deferred inflows of resources - OPEB, are primarily due to recognition of GASB Statement No. 75, based on an actuarial valuation of the School District's Other Postemployment Benefits (OPEB) plan.

- Net investment in capital assets increased due to capital outlay and debt principal payments exceeding debt proceeds and depreciation expense for the current year. The decrease in restricted net position is primarily due to decreased amounts in reserves at year-end.

Our analysis in *Figure 2* considers the operations of the School District's activities.

***Figure 2***

| *Changes in Net Position* | *Governmental Activities and Total School District* | | *Total Dollar Change* |
|---|---|---|---|
| | *2024* | *2023* | |
| *REVENUES* | | | |
| *Program Revenues:* | | | |
| *Charges for Services* | **$ 1,461,651** | $ 1,742,257 | $ (280,606) |
| *Operating Grants* | **11,611,924** | 13,219,228 | (1,607,304) |
| *Capital Grants* | **-** | 53,975 | (53,975) |
| *General Revenues:* | | | |
| *Real Property Taxes* | **104,004,734** | 99,668,464 | 4,336,270 |
| *Real Property Tax Items* | **6,158,144** | 6,145,362 | 12,782 |
| *State Sources* | **38,362,511** | 34,788,663 | 3,573,848 |
| *Use of Money and Property* | **3,931,811** | 1,781,696 | 2,150,115 |
| *Other General Revenues* | **4,030,220** | 3,704,633 | 325,587 |
| ***Total Revenues*** | **$ 169,560,995** | $ 161,104,278 | $ 8,456,717 |
| *PROGRAM EXPENSES* | | | |
| *General Support* | **$ 22,134,158** | $ 18,734,930 | $ 3,399,228 |
| *Instruction* | **123,006,327** | 114,813,090 | 8,193,237 |
| *Pupil Transportation* | **10,829,367** | 11,264,481 | (435,114) |
| *School Lunch Program* | **3,220,406** | 3,110,149 | 110,257 |
| *Interest on Debt* | **2,286,492** | 1,989,502 | 296,990 |
| ***Total Expenses*** | **$ 161,476,750** | $ 149,912,152 | $ 11,564,598 |
| ***CHANGE IN NET POSITION*** | **$ 8,084,245** | $ 11,192,126 | $ (3,107,881) |

Significant changes from the prior year are as follows:

- Total revenues for the School District's Governmental Activities increased by 5.3%, and total expenses increased by 7.7%.

- Property tax revenue increased based on the amounts levied as approved by the Board.

- Revenue received from the use of money and property increased due to additional interest earned on various bank accounts and investments.

- Expenses as a whole increased due to increased instructional and benefit costs, including pensions.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

*Figure 3* shows the changes in fund balances for the year for the School District's funds. The School District experienced an increase in total fund balance, which is primarily attributable to a fund balance increase in the Capital Fund.

***Figure 3***

| *Governmental Fund Balances* | *2024* | *2023* | *Total Dollar Change* |
|---|---|---|---|
| *Major Funds:* | | | |
| *General Fund* | **$ 34,806,257** | $ 33,908,334 | $ 897,923 |
| *School Lunch Fund* | **127,408** | 749,480 | (622,072) |
| *Capital Projects Fund* | **(20,075,225)** | (24,792,688) | 4,717,463 |
| *Non-Major Funds* | **3,942,125** | 2,348,183 | 1,593,942 |
| ***Total Governmental Funds*** | **$ 18,800,565** | $ 12,213,309 | $ 6,587,256 |

## GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board revised the School District budget several times. These budget amendments consisted of budget transfers between functions and the appropriation of unbudgeted revenues, which increased the overall budget.

After these adjustments, the actual charges to appropriations (expenditures) were below final budget amounts by $3,456,636. The change from original to revised budget is the result of carryover encumbrances and appropriation of additional unbudgeted revenues, primarily supplemental grants. Actual expenditures, including encumbrances, were lower than the revised budget as a combined result of budgeted contingency items which did not materialize and management control over expenditures.

*Figure 4* summarizes the original and final budgets, the actual expenditures (including encumbrances), and the variances for the year ended June 30, 2024.

**Figure 4**

| *Condensed Budgetary Comparison General Fund - 2024* | *Original Budget* | *Revised Budget* | *Actual w/ Encumbrances* | *Favorable (Unfavorable) Variance* |
|---|---|---|---|---|
| *REVENUES* | | | | |
| *Real Property Taxes* | $ 107,714,290 | $ 104,007,741 | $ 103,204,799 | $ (802,942) |
| *Real Property Tax Items* | 2,093,710 | 5,800,259 | 6,158,144 | 357,885 |
| *State Sources* | 36,705,901 | 36,705,901 | 38,836,301 | 2,130,400 |
| *Federal Sources* | - | - | - | - |
| *Other, Including Financing Sources* | 3,330,500 | 3,723,130 | 7,810,991 | 4,087,861 |
| ***Total Revenues and Other Financing Sources*** | **$ 149,844,401** | **$ 150,237,031** | **$ 156,010,235** | **$ 5,773,204** |
| ***Appropriated Fund Balances, Reserves, and Encumbrances*** | **$ 11,767,694** | **$ 11,767,694** | | |
| *EXPENDITURES* | | | | |
| *General Support* | $ 20,198,147 | $ 20,483,512 | $ 20,318,737 | $ 164,775 |
| *Instruction* | 81,744,345 | 81,932,523 | 80,567,460 | 1,365,063 |
| *Pupil Transportation* | 7,638,628 | 7,106,080 | 6,767,174 | 338,906 |
| *Community Services* | 13,000 | 13,000 | - | 13,000 |
| *Employee Benefits* | 38,555,240 | 38,185,387 | 36,639,841 | 1,545,546 |
| *Debt Service* | 11,352,534 | 12,442,534 | 12,424,643 | 17,891 |
| *Other Financing (Uses)* | 2,110,201 | 1,841,689 | 1,830,234 | 11,455 |
| ***Total Expenditures and Other Financing (Uses)*** | **$ 161,612,095** | **$ 162,004,725** | **$ 158,548,089** | **$ 3,456,636** |

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2024, the School District had invested in a broad range of capital assets totaling \$293,731,367, offset by accumulated depreciation of \$102,572,001 and accumulated amortization of \$3,530,833. *Figure 5* shows the changes in the School District's capital assets.

***Figure 5***

| *Changes in Capital Assets at Historical Cost* | *2024* | *2023* | *Total Dollar Change* |
|---|---|---|---|
| *Land* | **\$ 2,690,625** | \$ 2,690,625 | \$ - |
| *Construction in Progress* | **72,027,365** | 55,343,081 | 16,684,284 |
| *Buildings* | **194,045,270** | 193,811,894 | 233,376 |
| *Furniture and Equipment* | **18,161,778** | 16,880,853 | 1,280,925 |
| *Intangible Lease Assets, Net* | **6,806,329** | 4,939,617 | 1,866,712 |
| ***Total*** | **\$293,731,367** | \$273,666,070 | \$ 20,065,297 |

Capital asset activity for the year ended June 30, 2024 included the following:

| | |
|---|---|
| Capital Assets, Net of Depreciation, Beginning of Year | \$ 173,011,744 |
| Construction in Progress | 16,858,625 |
| Buildings | 100,806 |
| Intangible Lease Asset Additions | 1,870,556 |
| Buses | 2,992,835 |
| Other Equipment | 357,773 |
| **Total Additions** | 22,180,595 |
| (Less) Disposals, Net | (17,247) |
| (Less) Depreciation Expense | (6,253,294) |
| (Less) Amortization Expense | (1,293,265) |
| Net Change in Capital Assets | 14,616,789 |
| **Capital Assets, Net of Depreciation, End of Year** | **\$ 187,628,533** |

**Debt Administration**
*Figure 6* shows the changes in the School District's outstanding debt. Total indebtedness represented 14.92% of constitutional debt limit, exclusive of building aid estimates.

***Figure 6***

| *Outstanding Debt* | *Governmental Activities and Total School District* | | *Total Dollar Change* |
|---|---|---|---|
| | *2024* | *2023* | |
| *Serial Bonds* | **$ 56,960,000** | $ 45,355,000 | $ 11,605,000 |
| *Installment Purchase Debt* | **5,429,262** | 6,093,992 | (664,730) |
| *Bond Anticipation Notes* | **36,655,000** | 23,965,000 | 12,690,000 |
| *Total* | **$ 99,044,262** | $ 75,413,992 | $ 23,630,270 |

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

**FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE**

- The School District began the 2023-24 fiscal year with an increase to Foundation Aid in the amount of $2,224,718 or 11.14% from the prior year. Building Aid increased slightly, which has a direct correlation to our Debt Service. In addition we ended the year with $1.1M in additional aid over the prior year on our expense driven aid categories.

- Final reporting on the ARP and CRRS Act funds will happen in the 2024-25 fiscal year. The ICSD acknowledges that these funds were emergency funds to support the needs of our student population post pandemic. ICSD recognizes the value of certain programs created and is making efforts to retain some of these services longer-term .

- The School District management continues to be mindful of potential future increases in employee benefits. Increases in health insurance, workers' compensation, unemployment insurance, and educational salaries, supplies, and services will continue to have an impact on the level of educational programming the School District can provide to its students.

- Nationwide staffing challenges continue to impact ICSD in a very significant way. Attempting to create assumptions that are rooted in data so that we have realistic predictions for expenditures and revenue needs is nearly impossible under the current conditions.

- Current projects include work connected to the second and third phase of the $120 million-dollar Capital Project which was approved by the voters in May 2019. The School District is in the process of assessing our future project needs as the $120M project approaches completion. The School District's Finance Committee continues to work closely with a Financial Advisor in structuring School District debt to avoid debt payment spikes in future budgets. The global economy, inflation and supply chain issues all continue to impact and escalate estimations for future work.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Ithaca City School District, P.O. Box 549, 400 Lake Street, Ithaca, NY.

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF NET POSITION
## JUNE 30, 2024

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash - Unrestricted | $ 20,773,532 |
| Cash - Restricted | 321,079 |
| Investments - Unrestricted | 4,727,687 |
| Investments - Restricted | 18,128,739 |
| Taxes Receivable | 3,054,085 |
| State and Federal Aid Receivable | 6,304,912 |
| Due From Other Governments (BOCES) | 2,422,919 |
| Other Receivable | 1,711,572 |
| Inventories | 98,219 |
| **Total Current Assets** | 57,542,744 |
| | |
| **Noncurrent Assets** | |
| Cash and Cash Equivalents - Restricted | 660,938 |
| Investments - Restricted | 16,316,883 |
| Capital Assets, Net: | |
| Nondepreciable Capital Assets | 74,717,990 |
| Depreciable Capital Assets, Net | 109,635,047 |
| Intangible Lease Assets, Net | 3,275,496 |
| **Total Noncurrent Assets** | 204,606,354 |
| | |
| **Total Assets** | 262,149,098 |
| | |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Deferred Charges on Defeased Debt | 350,508 |
| Pensions | 28,965,561 |
| OPEB | 27,750,791 |
| | |
| **Total Deferred Outflows of Resources** | 57,066,860 |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF NET POSITION (CONTINUED)
## JUNE 30, 2024

| | |
|---|---|
| **LIABILITIES** | |
| **Current Liabilities** | |
| Accounts Payable | $ 4,912,507 |
| Accrued Liabilities | 1,276,875 |
| Incurred Claims Liability | 1,445,790 |
| Due to Other Governments | 181 |
| Refundable Advances | 22,724 |
| Bond Interest and Matured Bonds | 2,061,981 |
| Other Liabilities | 872,564 |
| Due to Teachers' Retirement System | 5,741,661 |
| Due to Employees' Retirement System | 653,318 |
| Short Term Debt | 36,655,000 |
| Compensated Absences Payable | 749,824 |
| Unearned Revenues | 39,511 |
| Current Portion of Long-Term Obligations: | |
| Bonds Payable | 4,810,674 |
| Installment Purchase Debt Payable | 678,058 |
| Lease Liabilities | 1,273,742 |
| **Total Current Liabilities** | 61,194,410 |
| | |
| **Noncurrent Liabilities** | |
| Bonds Payable | 55,894,375 |
| Installment Purchase Debt Payable | 4,751,204 |
| Lease Liabilities | 2,001,754 |
| Other Postemployment Benefits Liability | 301,335,945 |
| Net Pension Liability - Proportionate Share | 11,515,770 |
| **Total Noncurrent Liabilities** | 375,499,048 |
| | |
| **Total Liabilities** | 436,693,458 |
| | |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Pensions | 6,200,297 |
| Other Postemployment Benefits Liability | 54,138,926 |
| | |
| **Total Deferred Inflows of Resources** | 60,339,223 |
| | |
| **NET POSITION** | |
| Net Investment in Capital Assets | 93,399,923 |
| Restricted | 20,286,301 |
| Unrestricted (Deficit) | (291,502,947) |
| | |
| **Total Net (Deficit)** | **$ (177,816,723)** |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF ACTIVITIES
## FOR THE YEAR ENDED JUNE 30, 2024

| | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|---|
| | | Charges for Services | Operating Grants | Capital Grants | |
| **FUNCTIONS/PROGRAMS** | | | | | |
| General Support | $ 22,134,158 | $ - | $ - | $ - | $ (22,134,158) |
| Instruction | 123,006,327 | 1,242,705 | 9,228,533 | - | (112,535,089) |
| Pupil Transportation | 10,829,367 | - | - | - | (10,829,367) |
| School Lunch Program | 3,220,406 | 218,946 | 2,383,391 | - | (618,069) |
| Interest on Debt | 2,286,492 | - | - | - | (2,286,492) |
| **Total Functions and Programs** | **$ 161,476,750** | **$ 1,461,651** | **$ 11,611,924** | **$ -** | (148,403,175) |
| | | | | | |
| **GENERAL REVENUES** | | | | | |
| Real Property Taxes | | | | | 104,004,734 |
| Real Property Tax Items | | | | | 6,158,144 |
| Use of Money and Property | | | | | 3,931,811 |
| State Sources | | | | | 38,362,511 |
| Sale of Property and Compensation for Loss | | | | | 408,225 |
| Miscellaneous | | | | | 3,621,995 |
| **Total General Revenues** | | | | | 156,487,420 |
| Change in Net Position | | | | | 8,084,245 |
| Total Net (Deficit) - Beginning of Year | | | | | (185,900,968) |
| **Total Net (Deficit) - End of Year** | | | | | **$ (177,816,723)** |

*See Notes to Basic Financial Statements*

# ITHACA CITY SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS
## JUNE 30, 2024

| | Major Funds | | | | Total Non-Major Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| | | Special Revenue Funds | | | | |
| | General Fund | Special Aid Fund | School Lunch Fund | Capital Project Fund | | |
| **ASSETS** | | | | | | |
| Cash - Unrestricted | $ 15,051,326 | $ 15,056 | $ - | $ 4,587,395 | $ - | $ 19,653,777 |
| Cash - Restricted | - | - | 321,079 | - | 660,938 | 982,017 |
| Investments - Unrestricted | 4,213,182 | - | - | 9,306 | - | 4,222,488 |
| Investments - Restricted | 16,316,883 | - | 1,673 | 14,990,694 | 3,136,372 | 34,445,622 |
| Taxes Receivable | 3,054,085 | - | - | - | - | 3,054,085 |
| Due From Other Funds | 5,450,472 | - | - | 1,645,837 | 144,815 | 7,241,124 |
| State and Federal Aid Receivable | 2,583,403 | 3,139,873 | 244,503 | 337,133 | - | 6,304,912 |
| Due From Other Governments | 2,422,919 | - | - | - | - | 2,422,919 |
| Other Receivables | 498,370 | 1,010,601 | 202,601 | - | - | 1,711,572 |
| Inventories | - | - | 98,219 | - | - | 98,219 |
| **Total Assets** | **$ 49,590,640** | **$ 4,165,530** | **$ 868,075** | **$ 21,570,365** | **$ 3,942,125** | **$ 80,136,735** |
| **LIABILITIES** | | | | | | |
| Accounts Payable | $ 1,211,116 | $ 201,462 | $ 5,498 | $ 3,362,086 | $ - | $ 4,780,162 |
| Accrued Liabilities | 1,253,296 | 18,614 | 4,965 | - | - | 1,276,875 |
| Due to Other Funds | 3,263,777 | 3,140,384 | 678,727 | 1,628,004 | - | 8,710,892 |
| Due to Other Governments | - | - | 181 | - | - | 181 |
| Other Liabilities | 66,994 | 805,070 | - | 500 | - | 872,564 |
| Bond Anticipation Notes Payable | - | - | - | 36,655,000 | - | 36,655,000 |
| Due to Teachers' Retirement System | 5,741,661 | - | - | - | - | 5,741,661 |
| Due to Employees' Retirement System | 602,022 | - | 51,296 | - | - | 653,318 |
| Compensated Absences Payable | 749,824 | - | - | - | - | 749,824 |
| Overpayments and Collections in Advance | 22,724 | - | - | - | - | 22,724 |
| Unearned Revenues | 39,511 | - | - | - | - | 39,511 |
| **Total Liabilities** | 12,950,925 | 4,165,530 | 740,667 | 41,645,590 | - | 59,502,712 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable Revenues | 1,833,458 | - | - | - | - | 1,833,458 |
| **FUND BALANCES** | | | | | | |
| Nonspendable | - | - | 98,219 | - | - | 98,219 |
| Restricted | 16,314,987 | - | 29,189 | - | 3,942,125 | 20,286,301 |
| Assigned | 12,179,457 | - | - | - | - | 12,179,457 |
| Unassigned | 6,311,813 | - | - | (20,075,225) | - | (13,763,412) |
| **Total Fund Balances (Deficit)** | 34,806,257 | - | 127,408 | (20,075,225) | 3,942,125 | 18,800,565 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | **$ 49,590,640** | **$ 4,165,530** | **$ 868,075** | **$ 21,570,365** | **$ 3,942,125** | **$ 80,136,735** |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2024

| | | |
|---|---|---|
| **Fund Balances - Total Governmental Funds** | | **$ 18,800,565** |
| Amounts reported for Governmental Activities in the Statement of Net Position are different because: | | |
| Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. | | |
| Total Historical Cost | $ 293,731,367 | |
| (Less) Accumulated Amortization | (3,530,833) | |
| (Less) Accumulated Depreciation | (102,572,001) | 187,628,533 |
| Deferred inflows of resources reported in the Balance Sheet are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | 1,833,458 |
| Internal Service Funds are used by the School District to charge the costs of certain activities such as health insurance. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position. | | 1,516,587 |
| The School District's proportionate share of the collective net pension (asset)/liability is not reported in the funds. | | |
| TRS Net Pension Liability - Proportionate Share | $ (2,950,011) | |
| ERS Net Pension Liability - Proportionate Share | (8,565,759) | (11,515,770) |
| Deferred outflows of resources, including deferred charges on defeased debt, OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources related to OPEB and pensions represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds. | | |
| Deferred Charges on Defeased Debt | $ 350,508 | |
| Deferred Outflows of Resources - OPEB | 27,750,791 | |
| Deferred Inflows of Resources - OPEB | (54,138,926) | |
| TRS Deferred Inflows of Resources - Pension | (4,466,125) | |
| ERS Deferred Inflows of Resources - Pension | (1,734,172) | |
| TRS Deferred Outflows of Resources - Pension | 8,261,980 | |
| ERS Deferred Outflows of Resources - Pension | 20,703,581 | (3,272,363) |
| Long-term liabilities, including bonds payable adjusted for financing transaction amortization, installment purchase debt, and other postemployment benefits liability, are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Bonds Payable | $ (56,960,000) | |
| Bonds Premium | (3,745,049) | |
| Installment Purchase Debt Payable | (5,429,262) | |
| Lease Liabilities | (3,275,496) | |
| Other Postemployment Benefits Liability | (301,335,945) | (370,745,752) |
| Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds. | | |
| Accrued Interest on Long-Term Debt | | (2,061,981) |
| **Net (Deficit) of Governmental Activities** | | **$ (177,816,723)** |

*See Notes to Basic Financial Statements*

# ITHACA CITY SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

| | Major Funds | | | | Total Non-Major Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| | | Special Revenue Funds | | | | |
| | General Fund | Special Aid Fund | School Lunch Fund | Capital Projects Fund | | |
| **REVENUES** | | | | | | |
| Real Property Taxes | $ 103,204,799 | $ - | $ - | $ - | $ - | $ 103,204,799 |
| Real Property Tax Items | 6,158,144 | - | - | - | - | 6,158,144 |
| Charges for Services | 889,377 | - | - | - | - | 889,377 |
| Use of Money and Property | 2,538,109 | - | 2,399 | - | 1,312,807 | 3,853,315 |
| Sale of Property and Compensation for Loss | 425,472 | - | - | - | - | 425,472 |
| Miscellaneous | 3,604,705 | 1,903,743 | 401 | - | 17,290 | 5,526,139 |
| State Sources | 38,836,301 | 2,018,217 | 818,387 | - | - | 41,672,905 |
| Federal Sources | - | 4,832,783 | 1,565,004 | - | - | 6,397,787 |
| Medicaid Reimbursement | 353,328 | - | - | - | - | 353,328 |
| Sales - School Lunch | - | - | 218,545 | - | - | 218,545 |
| **Total Revenues** | 156,010,235 | 8,754,743 | 2,604,736 | - | 1,330,097 | 168,699,811 |
| **EXPENDITURES** | | | | | | |
| General Support | 18,647,554 | 31,440 | - | - | 304,233 | 18,983,227 |
| Instruction | 79,281,942 | 8,513,919 | 1,570,388 | - | 39,658 | 89,405,907 |
| Pupil Transportation | 6,308,361 | 306,318 | - | - | - | 6,614,679 |
| Employee Benefits | 36,619,578 | 87,463 | 718,216 | - | - | 37,425,257 |
| Debt Service: | | | | | | |
| Principal | 10,042,995 | - | - | - | - | 10,042,995 |
| Interest | 2,381,648 | - | - | - | - | 2,381,648 |
| Cost of Sales | - | - | 938,204 | - | - | 938,204 |
| Capital Outlay | - | - | - | 20,798,930 | - | 20,798,930 |
| **Total Expenditures** | 153,282,078 | 8,939,140 | 3,226,808 | 20,798,930 | 343,891 | 186,590,847 |
| Excess (Deficiency) of Revenues Over Expenditures | 2,728,157 | (184,397) | (622,072) | (20,798,930) | 986,206 | (17,891,036) |
| **OTHER FINANCING SOURCES AND (USES)** | | | | | | |
| Proceeds of Obligations | - | - | - | 21,560,556 | - | 21,560,556 |
| Premium on Obligations | - | - | - | - | 2,917,736 | 2,917,736 |
| Operating Transfers In | - | 184,397 | - | 3,955,837 | - | 4,140,234 |
| Operating Transfers (Out) | (1,830,234) | - | - | - | (2,310,000) | (4,140,234) |
| **Total Other Sources (Uses)** | (1,830,234) | 184,397 | - | 25,516,393 | 607,736 | 24,478,292 |
| Net Change in Fund Balances | 897,923 | - | (622,072) | 4,717,463 | 1,593,942 | 6,587,256 |
| Fund Balances (Deficit) - Beginning of Year | 33,908,334 | - | 749,480 | (24,792,688) | 2,348,183 | 12,213,309 |
| **Fund Balances (Deficit) - End of Year** | **$ 34,806,257** | **$ -** | **$ 127,408** | **$ (20,075,225)** | **$ 3,942,125** | **$ 18,800,565** |

*See Notes to Basic Financial Statements*

# ITHACA CITY SCHOOL DISTRICT

## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

| | | |
|---|---|---|
| **Net Change in Fund Balances - Total Governmental Funds** | | $ 6,587,256 |
| Amounts reported for Governmental Activities in the Statement of Activities are different because: | | |
| Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense. | | |
| Capital Outlay, Net | $ 20,292,792 | |
| Intangible Additions | 1,870,556 | |
| Amortization Expense | (1,293,265) | |
| Depreciation Expense | (6,253,294) | 14,616,789 |
| Real property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Current Year Unavailable Revenue | $ 1,833,458 | |
| Prior Year Unavailable Revenue | (1,033,523) | 799,935 |
| Long-term debt proceeds and related issue costs and deferred amounts on refunding provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. | | |
| Proceeds of Debt | $ (19,690,000) | |
| Premium on Obligations | (2,614,233) | |
| Principal Payment on Bonds | 8,085,000 | |
| Amortization of Bond Premium | 627,307 | |
| Principal Payment on Installment Debt | 664,730 | |
| Amortization of Deferred Charges on Defeased Debt | (194,540) | (13,121,736) |
| Long-term liabilities, such as those associated with employee benefits, are not reported in the Balance Sheet. Therefore expenses which result in an (increase) or decrease in these long-term liabilities are not reflected in the Governmental Fund financial statements. This is the change in the amount that is reported in the Statement of Activities. | | |
| Proceeds of Leases | $ (1,870,556) | |
| Principal Payment - Leases | 1,293,265 | |
| Other Postemployment Benefits Liability | 1,859,930 | 1,282,639 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. This is the amount accrued interest payable increased from the prior year. | | |
| Interest Payable | | (641,114) |
| Internal Service Funds are used by the School District to charge the costs of certain activities, such as health insurance, to individual funds. The net change of the internal service fund is reported with Governmental Activities. | | 2,997,572 |
| Changes in the School District's proportionate share of net pension (assets)/liabilities have no effect on the current financial resources and therefore are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to pensions do not affect current financial resources and therefore are not reported in the Governmental Funds. | | |
| ERS | $ (1,577,177) | |
| TRS | (2,859,919) | (4,437,096) |
| **Net Change in Net Position of Governmental Activities** | | **$ 8,084,245** |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF PROPRIETARY NET POSITION
## JUNE 30, 2024

| | | Governmental Activities |
|---|---|---|
| | | Internal Service Funds |
| **ASSETS** | | |
| **Current Assets** | | |
| Cash - Unrestricted | $ | 1,119,755 |
| Investments - Unrestricted | | 505,199 |
| Due From Other Funds | | 1,484,041 |
| **Total Current Assets** | | 3,108,995 |
| | | |
| **LIABILITIES** | | |
| **Current Liabilities** | | |
| Accounts Payable | | 132,345 |
| Incurred Claims Liability | | 1,445,790 |
| Due to Other Funds | | 14,273 |
| **Total Current Liabilities** | | 1,592,408 |
| | | |
| **NET POSITION** | | |
| Unrestricted | | 1,516,587 |
| | | |
| **Total Net (Deficit)** | **$** | **1,516,587** |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2024

| | Governmental Activities |
|---|---|
| | Internal Service Funds |
| **OPERATING REVENUES** | |
| Premiums - District Payments | $ 23,500,000 |
| Premiums - Employee Payments | 3,326,822 |
| Premiums - Retiree Payments | 879,633 |
| Rebates and Reimbursements | 1,245,287 |
| **Total Operating Revenues** | 28,951,742 |
| **OPERATING EXPENSES** | |
| Hospital and Medical Claims Expense | 15,682,732 |
| Prescription Claims Expense | 4,835,075 |
| Administrative Expenses | 5,508,475 |
| Other Expenses | 126,861 |
| **Total Operating Expenses** | 26,153,143 |
| Excess (Deficit) of Operating Revenues (Expenses) Before Nonoperating Revenues | 2,798,599 |
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Stop Loss Recoveries | 120,477 |
| Interest Income | 78,496 |
| **Total Nonoperating Revenues** | 198,973 |
| Change in Net Position | 2,997,572 |
| Net (Deficit), Beginning of Year | (1,480,985) |
| **Net (Deficit), End of Year** | **$ 1,516,587** |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF PROPRIETARY CASH FLOWS
## FOR THE YEAR ENDED JUNE 30, 2024

| | Governmental Activities |
|---|---|
| | Internal Service Funds |
| **Cash Flows From Operating Activities** | |
| Cash Received From Providing Services - District Payments | $ 23,500,000 |
| Cash Received From Providing Services - Employee Payments | 3,290,586 |
| Cash Received From Providing Services - Retiree Payments | 879,633 |
| Cash Received From Rebates and Reimbursements | 1,245,287 |
| Cash Payments - Hospital and Medical Claims | (16,141,400) |
| Cash Payments - Prescription Claims | (4,835,075) |
| Cash Payments - Administrative | (5,508,475) |
| Cash Payments - Other | (126,861) |
| **Net Cash Provided (Used) by Operating Activities** | 2,303,695 |
| **Cash Flows From Non-Capital Financing Activities** | |
| Interfund Transfers | (1,490,142) |
| **Net Cash (Used) Provided by Non-capital Financing Activities** | (1,490,142) |
| **Cash Flows From Capital and Related Financing Activities** | - |
| **Cash Flows From Investing Activities** | |
| Stop Loss Recoveries Received | 120,477 |
| Purchase of Securities | (505,199) |
| Interest Income Received | 78,496 |
| **Net Cash Provided (Used) by Investing Activities** | (306,226) |
| Net Change in Cash and Cash Equivalents | 507,327 |
| Cash and Cash Equivalents, January 1, | 612,428 |
| **Cash and Cash Equivalents, December 31,** | **$ 1,119,755** |
| **Reconciliation of Gain From Operations to Net Cash Provided (Used) by Operating Activities** | |
| Gain from Operations | $ 2,798,599 |
| Increase (Decrease) in Accounts Payable | (36,236) |
| Increase (Decrease) in Claims Liability | (458,668) |
| **Net Cash Provided (Used) by Operating Activities** | **$ 2,303,695** |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF FIDUCIARY NET POSITION
## JUNE 30, 2024

| | Custodial Fund |
|---|---|
| **ASSETS** | |
| Cash and Cash Equivalents - Unrestricted | $ 299,191 |
| **Total Assets** | **$ 299,191** |
| **NET POSITION** | |
| Unrestricted | $ 299,191 |
| **Total Net Position** | **$ 299,191** |

*See Notes to Basic Financial Statements*

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
## FOR THE YEAR ENDED JUNE 30, 2024

| | Custodial Fund |
|---|---|
| **ADDITIONS** | |
| Extraclassroom Receipts | $ 793,309 |
| **Total Additions** | 793,309 |
| **DEDUCTIONS** | |
| Extraclassroom Disbursements | 782,638 |
| Change in Net Position | 10,671 |
| Net Position - Beginning of Year | 288,520 |
| **Net Position - End of Year** | **$ 299,191** |

*See Notes to Basic Financial Statements*

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

The accompanying financial statements of the Ithaca City School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments, as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

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

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended:

- The primary government, which is the School District;
- 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 basic financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity.

The decision to include a potential component unit in the School 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 Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School 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 obtained from Ithaca City School District's business office, located at 400 Lake Street, Ithaca, New York.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Joint Venture**
The School District is one of nine component school districts in the Tompkins-Seneca-Tioga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. 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 General Municipal Law (GML).

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 §1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law.

**Basis of Presentation - District-Wide Financial Statements**
The Statement of Net Position and the Statement of Activities present financial information about the School 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 Net Position presents the financial position of the School District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. 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.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Basis of Presentation - Fund Financial Statements**
The Fund financial statements provide information about the School District's funds, including Fiduciary Funds. Separate statements for each fund category (Governmental and Fiduciary) are presented. The emphasis of Governmental Fund financial statements is on major Governmental Funds, each displayed in a separate column. The following are the District's Governmental Funds.

**Major Funds**

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

- Special Revenue Funds: Account for proceeds of specific revenue sources (other than capital projects) legally restricted to expenditures for specified purposes. Special revenue funds include the following:

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

    - School Lunch Fund: Accounts for revenues and expenditures in connection with the School District's food service program.

- Capital Project Fund: Accounts for financial reserves/resources used for acquisition and construction of both major and minor renovations to the educational complexes. Additionally, accounts for financial resources used for reconstruction of various School District facilities and construction/reconstruction of additions to School District facilities as well as major repairs to other capital facilities.

**Non-Major Funds**

- Debt Service Fund: Accounts for accumulation of resources and payment of principal and interest on long-term general obligation debt of Governmental Activities.

- Miscellaneous Special Revenue Fund: Used to account for student scholarships whose funds are restricted as to use.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Basis of Presentation - Continued**
Proprietary Funds are used to account for ongoing organizations or activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The following Proprietary Funds are utilized:

- Internal Service Fund - Self-Insurance Fund which accounts for the accumulation of resources for payment of health costs as authorized by §6N of General Municipal Law (GML).

Fiduciary Activities are those in which the School 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 School District and are not available to be used.

The School District reports the following Fiduciary Fund:

- Custodial Fund: Assets are held by the School District as agent for Extraclassroom Activity Funds.

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

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within six months 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.

*Note 1* **Summary of Significant Accounting Policies - Continued**

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

**Accounts Receivable**
Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

**Due To/From Other Funds**
Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

**Inventories and Prepaid Items**
Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. 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 School 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 Governmental 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.

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

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Capital Assets**

Capital assets are reported at actual cost for acquisitions, including the right to use assets acquired through financed lease arrangements, subsequent to the adoption of GASB Statement No. 34. For assets acquired prior to the adoption of GASB Statement No. 34, estimated historical costs, based on appraisal and research of the School District's accounting records, were used. Donated assets are reported at acquisition value at the time received.

The School District utilizes the straight-line method of depreciation, and amortizes its intangible assets in line with its lease liability payments. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation, and amortization methods, and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

| | Capitalization Threshold | Estimated Useful Life |
|---|---|---|
| Buildings | $ 500 | 20 - 40 Years |
| Improvements | 500 | 15 - 20 Years |
| Furniture and Equipment | 500 | 5 - 20 Years |

**Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt. The School District reports deferred outflows of resources related to pensions and Other Postemployment Benefits (OPEB) in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB are described in Notes 11 and 12, respectively.

In addition to liabilities, the Statement of Net Position and the Balance Sheet - Governmental Funds reports 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 will not be recognized as an inflow of resources (revenue) until that time. The School District's Governmental Funds' deferred inflows of resources arise under the modified accrual basis of accounting. Accordingly, the applicable item, unavailable revenue, is reported only on the Balance Sheet - Governmental Funds. At June 30, 2024, the School District's deferred inflows of resources consisted of $1,833,458 in property taxes not collected within 60 days subsequent to year end. The School District also reports deferred inflows of resources related to pensions and OPEB which are further described in Notes 11 and 12.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Leases**
The School District determines if an arrangement is or contains a lease at inception. The School District records assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The School District uses the rate implicit in the lease agreements. In some cases the implicit rate is not easily determinable, and the School District elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the School District will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The School District's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the education expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

**Vested Employee Benefits - Compensated Absences**
Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

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

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

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Postemployment Benefits**
School District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postretirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 12 for additional information.

**Unearned and Unavailable Revenue**
Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

The Governmental Fund financial statements may also report deferred inflow of resources, if applicable, when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed and revenues are recorded. Unavailable revenues are reported as deferred inflows of resources on the Balance Sheet.

**Restricted Resources**
When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Accrued Liabilities and Long-Term Obligations**
Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgements, other postemployment benefits payable, pension obligations, 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 School District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

**Equity Classifications - District-Wide Financial Statements**
Equity is classified as net position and displayed in three components.

- Net Investment in Capital Assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted: Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted: Consists of all other resources that do not meet the definition of "restricted" or "net investment in capital assets."

**Equity Classifications - Governmental Fund Financial Statements**
Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable: Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.

- Restricted: Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.

## *Note 1* Summary of Significant Accounting Policies - Continued

### Equity Classifications - Governmental Fund Financial Statements - Continued

- Committed: Consists of amounts subject to a purpose constraint imposed by formal action of the School District's highest level of decision-making authority, the Board of Education, prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.

- Assigned: Consists of amounts subject to a purpose constraint representing an intended use established by the School District's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

- Unassigned: Represents the residual classification of the School District's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

The Board of Education of the School District has not adopted any resolutions to commit fund balance. By resolution, the Board of Education authorized the Superintendent to assign fund balance. The School District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, then unassigned fund balance.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Legally Adopted Reserves**
Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. The following reserve funds are available to school districts within the State of New York. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. These reserves are reported in the fund financial statements as Restricted Fund Balance. Reserves currently in use by the School District include the following:

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

- Property Loss Reserve and Liability Reserve (Education Law §1709[8c]): Used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the General Fund.

- Retirement Contributions Reserve (GML §6-r): Used to reserve funds for the payment of retirement contributions, due to volatility in the economic marketplace. 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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of GML §6-r. These reserves are accounted for in the General Fund.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Legally Adopted Reserves - Continued**

- Employee Benefit Accrued Liability Reserve (GML §6-p): Used to reserve funds 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. This reserve is accounted for in the General Fund.

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

- Insurance Liability Reserve (GML §6-n): Used to fund certain losses, claims, actions, or judgments for which the local government is authorized or required to purchase or maintain insurance, with a number of exceptions. An insurance reserve fund may also be used to pay for expert or professional services in connection with the investigation, adjustment, or settlement of claims, actions, or judgments. This reserve is accounted for in the General Fund.

- Health Insurance Reserve (GML §6-n): Used to fund health insurance claims. The initial funding for this reserve was primarily from refunds received from the withdrawal from the TST BOCES Consortium. This reserve is accounted for in the General Fund.

**Property Taxes - Calendar**
Real property taxes are levied annually by the Board of Education no later than October 1, and became a lien on August 30, 2023. Taxes were collected during the period October 1 to December 28, 2023.

**Property Taxes - Enforcement**
Uncollected real property taxes are subsequently enforced by Tompkins County, Tioga County (Counties), and the City of Ithaca (City). An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the Counties to the School District no later than the following April 1. Real property taxes enforced by the City are paid to the School District when the City collects them.

*Note 1* **Summary of Significant Accounting Policies - Continued**

**Interfund Transfers**
The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

**Use of Estimates**
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

**New Accounting Standards**
The School District adopted and implemented the following current Statement of the GASB effective for the year ended June 30, 2024:

- GASB has issued Statement No. 100, "Accounting Changes and Error Correction – an Amendment to GASB Statement No. 62," effective for the year ending June 30, 2024. The adoption of the Statement did not have a material impact on the financial statements.

**Future Changes in Accounting Standards**

- GASB has issued Statement No.101, "Compensated Absences" effective for the year ending June 30, 2025.

- GASB has issued Statement No. 102, "Certain Risk Disclosures" effective for the year ending June 30, 2025.

- GASB has issued Statement No. 103, "Financial Reporting Improvements" effective for the year ending June 30, 2026.

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

*Note 2* **Participation in BOCES**
During the year ended June 30, 2024, the School District's share of BOCES income amounted to $5,099,039. The School District was billed $21,058,070 for BOCES administration and program costs. Financial statements for Tompkins-Seneca-Tioga BOCES are available from the BOCES administrative office at 555 Warren Road, Ithaca, New York.

*Note 3* **Cash and Cash Equivalents - Custodial and Concentration of Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District also participates in a local government external investment pool through the New York Liquid Asset Fund (NYLAF). The cooperative is actively managed and invests exclusively in investments legally permissible for New York State school districts and municipal corporations. These permissible investments include: U.S. Treasury obligations, U.S. agency securities backed by the full faith and credit of the U.S. government, repurchase agreements collateralized by U.S. Treasury obligations, and bank deposits guaranteed or collateralized by the U.S. government or it's agencies. NYLAF requires deposits at financial institutions to be FDIC insured or to maintain collateral in the amount of 102% of the value of the deposits, or 140% if an irrevocable letter of credit is used as collateral, or at least 100% if an irrevocable letter of credit from the Federal Home Loan Bank is used as collateral.

Credit rate risk is the risk of loss attributed to the magnitude of the School District investment in a single issuer. The School District external investment pool is rated AAAm by S&P Global Ratings.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the School District's external investment pool limits the purchase of investments to a maturity date of no more that 397 days and is invested in such a manner as to result in an average dollar-weighted maturity to reset of no greater than 60 days. In addition, the external investment pool seeks to maintain a constant net asset value of $1.00 for each $1.00 invested. The dollar weighted average days to maturity of NYLAF at March 28, 2024, was 44 days and the net asset value per share was $0.99999.

NYLAF financial statements may be obtained from NYLAF, at 300 Westage Business Center Drive, Suite 405, Fishkill, New York 12524.

The School District's aggregate bank balances of $61,177,008, including certificates of deposit, are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

*Note 3* **Cash and Cash Equivalents - Custodial and Concentration of Credit Risk - Continued**

The School District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The School 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:

1. Insured or registered, or investments held by the School District or by the School District's agent in the School District's name; or

2. Uninsured and unregistered, with investments held by the financial institution's trust department in the School District's name; or

3. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the School District's name.

The School District has investments in Certificates of Deposit. The School District reported $15,000,000 in the Capital Projects Fund and $531,383 in the Miscellaneous Special Revenue Fund.

Balances in NYLAF at June 30, 2024 include $20,530,065 reported in the General Fund, $2,596,405 in the Debt Service Fund, $505,199 in the Internal Service Fund, and $1,673 in the School Lunch Fund.

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

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

Restricted cash at June 30, 2024 consisted of the following:

| | | |
|---|---|---|
| Restricted for Debt Service | $ | 417,907 |
| Restricted for School Lunch | | 321,079 |
| Restricted for Scholarships | | 243,031 |
| **Total** | **$** | **982,017** |

*Note 4* **Other Receivables**

Other receivables at June 30, 2024 consisted of the following, which are stated at net realizable value.

| | Description | Amount |
|---|---|---|
| General Fund | Billings for Services | $ 498,370 |
| Special Aid Fund | Billings for Services | 1,010,601 |
| School Lunch Fund | Billings for Services | 202,601 |
| **Total** | | **$ 1,711,572** |

*Note 5* **Interfund Balances and Activity**

Interfund balances at June 30, 2024 are as follows:

| | Interfund Receivable | Interfund Payable | Interfund Revenues | Interfund Expenditures |
|---|---|---|---|---|
| General Fund | $ 5,450,472 | $ 3,263,777 | $ - | $ 1,830,234 |
| Special Aid Fund | - | 3,140,384 | 184,397 | - |
| School Lunch Fund | - | 678,727 | - | - |
| Capital Project Fund | 1,645,837 | 1,628,004 | 3,955,837 | - |
| Internal Service Fund | 1,484,041 | 14,273 | - | - |
| Non-Major Fund: | | | | |
| Miscellaneous Special Revenue Fund | 1,896 | - | - | - |
| Debt Service Fund | 142,919 | - | - | 2,310,000 |
| **Total** | **$ 8,725,165** | **$ 8,725,165** | **$ 4,140,234** | **$ 4,140,234** |

Interfund receivables and payables, other than between Governmental Activities and Fiduciary Funds, are eliminated on the Statement of Net Position.

The School District typically transfers from the General Fund to the Special Aid Fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Funds, as needed, to fund capital projects. Periodically, the School District transfers funds as needed to subsidize the School Lunch Fund.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

## NOTES TO FINANCIAL STATEMENTS
## JUNE 30, 2024

*Note 6* **Capital Assets**

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

| Governmental Activities | Beginning Balance | Additions | Reclassifications and Disposals | Ending Balance |
|---|---|---|---|---|
| **Capital Assets That are Not Depreciated** | | | | |
| Land | $ 2,690,625 | $ - | $ - | $ 2,690,625 |
| Construction in Progress | 55,343,081 | 16,858,625 | (174,341) | 72,027,365 |
| **Total Nondepreciable Historical Cost** | 58,033,706 | 16,858,625 | (174,341) | 74,717,990 |
| **Capital Assets That are Depreciated** | | | | |
| Buildings | 193,811,894 | 100,806 | 132,570 | 194,045,270 |
| Furniture and Equipment | 16,880,853 | 3,350,608 | (2,069,683) | 18,161,778 |
| **Total Depreciable Historical Cost** | 210,692,747 | 3,451,414 | (1,937,113) | 212,207,048 |
| **Intangible Lease Assets** | | | | |
| Equipment | 4,939,617 | 1,870,556 | (3,844) | 6,806,329 |
| **Total Historical Cost** | 273,666,070 | 22,180,595 | (2,115,298) | 293,731,367 |
| **(Less) Accumulated Depreciation** | | | | |
| Buildings | (89,013,104) | (4,961,976) | 200,070 | (93,775,010) |
| Furniture and Equipment | (9,399,810) | (1,291,318) | 1,894,137 | (8,796,991) |
| **Total Accumulated Depreciation** | (98,412,914) | (6,253,294) | 2,094,207 | (102,572,001) |
| **(Less) Accumulated Amortization** | | | | |
| Equipment | (2,241,412) | (1,293,265) | 3,844 | (3,530,833) |
| **Total Historical Cost, Net** | **$ 173,011,744** | **$ 14,634,036** | **$ (17,247)** | **$ 187,628,533** |

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

| | |
|---|---|
| General Support | $ 185,970 |
| Instruction | 6,365,482 |
| Pupil Transportation | 995,107 |
| **Total** | **$ 7,546,559** |

*Note 7* **Short-Term Debt**

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any new RANs or TANs.

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

The School 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 BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. One BAN was outstanding at June 30, 2024.

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

| Description of Issue | Interest Rate | Maturity Date | Beginning Balance | Issued | Renewed or Redeemed | Ending Balance |
|---|---|---|---|---|---|---|
| BAN 2023 - Construction | 3.75% | 7/14/2023 | $ 23,965,000 | $ - | $ 23,965,000 | $ - |
| BAN 2024 - Construction | 4.50% | 7/12/2024 | - | 36,655,000 | - | 36,655,000 |
| **Total** | | | **$ 23,965,000** | **$ 36,655,000** | **$ 23,965,000** | **$ 36,655,000** |

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

| | |
|---|---|
| Interest Paid | $ 898,687 |
| (Less) Interest Accrued in the Prior Year | (863,416) |
| Interest Accrued in the Current Year | 1,594,493 |
| (Less) Premiums on BANs | (303,503) |
| **Total** | **$ 1,326,261** |

*Note 8* **Long-Term Debt**

At June 30, 2024, the total outstanding indebtedness of the School District represented 14.92% of its statutory debt limit, exclusive of building aids. The statutory debt limit is calculated as follows:

| | |
|---|---|
| Five-year average of full valuation of taxable property | $ 6,640,351,548 |
| 5% of the five-year average of full valuation of taxable property | 664,035,155 |
| Debt subject to statutory debt limit | 99,044,262 |
| Debt subject to statutory debt limit/5% of the five-year average | 14.92% |

Long-term debt is classified as follows:

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

- Installment Purchase Debt - The School District enters into installment purchase agreements for energy performance contracts. The cost and net book value of assets acquired with installment purchase debt totaled $9,726,615 and $5,187,528, respectively.

The following is a summary of the School District's notes payable and long-term debt for the year ended June 30, 2024:

| Serial Bonds | Issue Date | Final Maturity | Interest Rate | Outstanding June 30, 2024 |
|---|---|---|---|---|
| Refunding | 11/15 | 07/29 | 3.00% - 5.00% | $ 5,805,000 |
| Capital Improvement | 07/15 | 07/30 | 2.00% - 3.00% | 3,320,000 |
| Refunding | 10/16 | 07/30 | 0.90% - 5.00% | 5,915,000 |
| Refunding | 04/20 | 07/30 | 2.00% - 5.00% | 3,660,000 |
| Capital Improvement | 07/21 | 07/37 | 2.00% | 18,570,000 |
| Capital Improvement | 07/21 | 07/38 | 5.00% | 19,690,000 |
| Subtotal | | | | 56,960,000 |
| Unamortized Premium on Obligations | | | | 3,745,049 |
| **Total Serial Bonds** | | | | **$ 60,705,049** |

*Note 8* **Long-Term Debt - Continued**

Interest paid on long-term debt during the year was comprised of:

| | |
|---|---|
| Interest Paid | $ 1,394,114 |
| (Less) Interest Accrued in the Prior Year | (557,451) |
| Interest Accrued in the Current Year | 467,488 |
| (Less) Amortization of Bond Premium | (627,307) |
| Plus Amortization of Defeased Charges | 194,540 |
| **Total** | **$ 871,384** |

Interest paid on the Serial Bonds varies from year to year, in accordance with the interest rates specified in the bond agreements.

On November 12, 2015, the School District issued $10,520,000 general obligation bonds, with interest rates ranging between 3.0% and 5.0% and a premium of $1,196,654 to advance refund $10,845,000 of outstanding various general obligation bonds with interest rates ranging from 3.0% to 4.125%. The net proceeds of $11,589,597 (after payment of $127,057 in underwriting fees, original bond premium, insurance, and other issuance costs) were used to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the refunded bonds are considered defeased and the liability was removed from the School District's financial statements. The outstanding principal of defeased bonds was $6,635,000 at June 30, 2024.

On May 27, 2016, the School District issued $6,320,000 general obligation bonds, with interest rates ranging between 2.0% and 5.0% and a premium of $1,126,751 to advance refund $6,430,000 of outstanding various general obligation bonds with interest rates ranging from 3.0% to 5.0%. The net proceeds of $7,297,184 (after payment of $149,567 in underwriting fees, original bond premium, insurance, and other issuance costs) were used to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the refunded bonds are considered defeased and the liability was removed from the School District's financial statements. The outstanding principal of defeased bonds was $3,750,000 at June 30, 2024.

On October 27, 2016, the School District issued $23,220,000 general obligation bonds, with interest rates ranging between 0.9% and 5.0% and a premium of $2,772,805 to advance refund $23,925,000 of outstanding various general obligation bonds with interest rates ranging from 3.25% to 4.0%. The net proceeds of $25,798,598 (after payment of $194,207 in underwriting fees, original bond premium, insurance, and other issuance costs) were used to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the refunded bonds are considered defeased and the liability was removed from the School District's financial statements. The outstanding principal of defeased bonds was $9,550,000 at June 30, 2024.

*Note 8* **Long-Term Debt - Continued**

On April 7, 2020, the School District issued $5,135,000 general obligation bonds, with interest rates ranging between 2.0% and 5.0% and a premium of $1,119,073 to advance refund $6,050,000 of outstanding various general obligation bonds with interest rates ranging from 3.25% to 4.0%. The net proceeds of $25,798,598 (after payment of $194,207 in underwriting fees, original bond premium, insurance, and other issuance costs) were used to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the refunded bonds are considered defeased and the liability was removed from the School District's financial statements. The outstanding principal of defeased bonds was $4,175,000 at June 30, 2024.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges on defeased debt are summarized as follows:

| Governmental Activities | Beginning Balance | Issued | Redeemed | Ending Balance |
|---|---|---|---|---|
| 2017 Refunding Bonds | $ 545,048 | $ - | $ (194,540) | $ 350,508 |
| **Total** | **$ 545,048** | **$ -** | **$ (194,540)** | **$ 350,508** |

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

| Governmental Activities | Beginning Balance | Issued | Redeemed | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Bonds | $ 45,355,000 | $19,690,000 | $ (8,085,000) | $ 56,960,000 | $4,315,000 |
| Unamortized Premium | 1,758,123 | 2,614,233 | (627,307) | 3,745,049 | 495,674 |
| Installment Purchase Debt | 6,093,992 | - | (664,730) | 5,429,262 | 678,058 |
| **Total** | **$ 53,207,115** | **$22,304,233** | **$ (9,377,037)** | **$ 66,134,311** | **$ 5,488,732** |

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

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 4,315,000 | $ 2,704,554 | $ 7,019,554 |
| 2026 | 5,205,000 | 1,814,019 | 7,019,019 |
| 2027 | 5,405,000 | 1,621,324 | 7,026,324 |
| 2028 | 5,600,000 | 1,419,519 | 7,019,519 |
| 2029 | 5,795,000 | 1,222,075 | 7,017,075 |
| 2030-2034 | 18,160,000 | 3,938,094 | 22,098,094 |
| 2035-2039 | 12,480,000 | 1,248,050 | 13,728,050 |
| **Total** | **$ 56,960,000** | **$ 13,967,635** | **$ 70,927,635** |

*Note 8* **Long-Term Debt - Continued**

**Installment Purchase Debt**
The School District is obligated under certain leases accounted for as installment purchase debt. Net book value of assets purchased under installment purchases totaled $5,187,528 at June 30, 2024.

| | Issue Date | Final Maturity | Interest Rate | Outstanding June 30, 2024 |
|---|---|---|---|---|
| Installment Purchase Debt | 08/15/17 | 08/31/32 | 2.00% | $ 5,429,262 |

The following is a schedule of future minimum lease payments under capital leases:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 678,058 | $ 104,949 | $ 783,007 |
| 2026 | 691,652 | 91,354 | 783,006 |
| 2027 | 705,520 | 77,487 | 783,007 |
| 2028 | 719,665 | 63,341 | 783,006 |
| 2029 | 734,094 | 48,913 | 783,007 |
| 2030-2032 | 1,900,273 | 57,242 | 1,957,515 |
| **Total** | **$ 5,429,262** | **$ 443,286** | **$ 5,872,548** |

*Note 9* **Compensated Absences**
Represents unpaid accumulated annual vacation time. This liability is liquidated from the General Fund. 2023-2024 activity consisted of the following:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|---|---|---|---|
| Compensated Absences | $ 791,886 | $ - | $ (42,062) | $ 749,824 |
| **Total** | **$ 791,886** | **$ -** | **$ (42,062)** | **$ 749,824** |

Changes to compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

*Note 10* **Lease Liabilities**
The School District enters into lease agreement for certain equipment that are considered leases. The School District is not party to any material short term leases, and current leases do not require any variable payments.

*Note 10* **Lease Liabilities - Continued**

At June 30, 2024, the School District reported $6,806,329 offset by accumulated amortization of $3,530,833, in intangible assets that were not included in the lease liability below.

Lease liabilities as of June 30, 2024 are as follows:

| Description of Lease | Issue Date | Final Maturity | Discount Rate | Outstanding June 30, 2024 |
|---|---|---|---|---|
| IPA Sched 16450 | 07/29/2020 | 06/01/2025 | 1.90% | 82,482 |
| IPA Sched 16451 | 05/24/2021 | 06/01/2025 | 2.04% | 67,810 |
| IPA Sched 2648L | 08/09/2021 | 06/01/2026 | 0.98% | 730,874 |
| IPA Sched 26460L | 09/10/2021 | 06/01/2026 | 1.04% | 63,124 |
| IPA Sched 364152 | 07/27/2022 | 06/30/2027 | 3.29% | 449,798 |
| IPA Sched 264142L | 04/21/2022 | 06/01/2026 | 2.87% | 382,735 |
| IPA Sched 46487L | 04/11/2024 | 06/30/2028 | 4.40% | 341,224 |
| IPA Sched 46459L | 02/05/2024 | 06/30/2028 | 4.10% | 572,956 |
| Printer Lease | 10/01/2023 | 09/30/2027 | 4.80% | 584,493 |
| **Total** | | | | **$ 3,275,496** |

The following is a summary of the maturity of lease liabilities:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 1,273,742 | $ 97,157 | $ 1,370,899 |
| 2026 | 1,146,482 | 63,457 | 1,209,939 |
| 2027 | 567,666 | 31,601 | 599,267 |
| 2028 | 287,606 | 10,480 | 298,086 |
| **Total** | **$ 3,275,496** | **$ 202,695** | **$ 3,478,191** |

Interest paid for the current year amounted to $88,847.

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)**

**Plan Descriptions**

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

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary.

Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Plan Descriptions - Continued**

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

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

**Summary of Significant Accounting Policies**
The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Contributions**

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the System were equal to 100% of the contributions required, and were as follows:

| | ERS | TRS |
|---|---|---|
| **2024** | **$ 2,523,471** | **$ 5,147,608** |
| 2023 | 1,749,082 | 4,678,252 |
| 2022 | 2,430,587 | 4,288,374 |

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

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

| | ERS | TRS |
|---|---|---|
| Actuarial Valuation Date | March 31, 2024 | June 30, 2023 |
| Net Pension (Asset)/Liability | $ 14,724,050,185 | $ 1,143,585,019 |
| School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability | 8,565,759 | 2,950,011 |
| School District's Share of the Net Pension (Asset)/Liability | 0.0581753% | 0.257962% |

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

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

For the year ended June 30, 2024, the School District recognized pension expense of $4,192,842 for ERS and $8,266,637 for TRS in the District-wide financial statements. At June 30, 2024 the School 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 | $ 2,759,024 | $ 7,152,992 | $ 233,566 | $ 17,678 |
| Changes of Assumptions | 3,238,521 | 6,351,287 | - | 1,384,228 |
| Net Differences Between Projected and Actual Earnings on Pension Plan Investments | - | 1,507,987 | 4,184,328 | - |
| Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions | 1,538,002 | 37,964 | 48,231 | 332,266 |
| School District's Contributions Subsequent to the Measurement Date | 726,433 | 5,653,351 | - | - |
| **Total** | **$ 8,261,980** | **$ 20,703,581** | **$ 4,466,125** | **$ 1,734,172** |

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending 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 Ending | ERS | TRS |
|---|---|---|
| 2025 | $ (1,136,028) | $ 1,077,683 |
| 2026 | 2,042,937 | (1,587,217) |
| 2027 | 2,799,703 | 11,814,362 |
| 2028 | (637,190) | 872,018 |
| 2029 | - | 696,076 |
| Thereafter | - | 443,136 |

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

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

Significant actuarial assumptions used in the valuations were as follows:

| | ERS | TRS |
|---|---|---|
| Measurement Date | March 31, 2024 | June 30, 2023 |
| Actuarial Valuation Date | April 1, 2023 | June 30, 2022 |
| Interest Rate of Return | 5.90% | 6.95% |
| Salary Increases | 4.40% | 1.95%-5.18% |
| Cost of Living Adjustments | 1.50% | 1.30% |
| Inflation Rate | 2.90% | 2.40% |

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

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

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Actuarial Assumptions - Continued**

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

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

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and 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.

The following presents the School District's proportionate share of the net pension (asset)/liability calculated using the discount rate, as well as what the School 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 or higher than the current rate:

| ERS | 1% Decrease (4.9%) | Current Assumption (5.9%) | 1% Increase (6.9%) |
|---|---|---|---|
| School District's Proportionate Share of the Net Pension (Asset)/Liability | $ 26,931,620 | $ 8,565,759 | $ (6,773,546) |

| TRS | 1% Decrease (5.95%) | Current Assumption (6.95%) | 1% Increase (7.95%) |
|---|---|---|---|
| School District's Proportionate Share of the Net Pension (Asset)/Liability | $ 44,930,167 | $ 2,950,011 | $ (32,357,115) |

**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:

| | Dollars in Thousands | |
|---|---|---|
| | ERS | TRS |
| Measurement Date | March 31, 2024 | June 30, 2023 |
| Employers' Total Pension Liability | $ 240,696,851 | $ 138,365,122 |
| Plan Net Position | (225,972,801) | (137,221,537) |
| Employers' Net Pension (Asset)/Liability | **$ 14,724,050** | **$ 1,143,585** |
| Ratio of Plan Net Position to the Employers' Total Pension Liability | 93.9% | 99.2% |

*Note 11* **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $653,318.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October, and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to $5,741,661.

**Current Year Activity**

The following is a summary of current year activity:

| | Beginning Balance | Change | Ending Balance |
|---|---|---|---|
| **ERS** | | | |
| Net Pension Liability | $ 9,822,942 | $ (1,257,183) | $ 8,565,759 |
| Deferred Outflows of Resources | (7,121,439) | (1,140,541) | (8,261,980) |
| Deferred Inflows of Resources | 491,224 | 3,974,901 | 4,466,125 |
| Subtotal | 3,192,727 | 1,577,177 | 4,769,904 |
| **TRS** | | | |
| Net Pension Liability | 4,957,516 | (2,007,505) | 2,950,011 |
| Deferred Outflows of Resources | (26,437,122) | 5,733,541 | (20,703,581) |
| Deferred Inflows of Resources | 2,600,289 | (866,117) | 1,734,172 |
| Subtotal | (18,879,317) | 2,859,919 | (16,019,398) |
| **Total** | **$ (15,686,590)** | **$ 4,437,096** | **$ (11,249,494)** |

*Note 12* **Postemployment Benefits Other Than Pensions (OPEB)**

**General Information about the OPEB Plan**

Plan Description - The School District provides medical and Medical Part B benefits to eligible retirees and their spouses in accordance with various employment contracts. The Plan is a single-employer defined benefit healthcare plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements, because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

**Benefits Provided**

The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

**Employees Covered by Benefit Terms**

At June 30, 2024, the following employees were covered by the benefit terms.

| | |
|---|---|
| Inactive Employees or Beneficiaries Currently Receiving Benefit Payments | 728 |
| Inactive Employees Entitled to but Not Yet Receiving Benefit Payments | - |
| Active Employees Not Fully Eligible for Benefits | 1,023 |
| **Total** | **1,751** |

**Total OPEB Liability**

The School District's total OPEB liability of $301,335,945 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

**Actuarial Assumptions and Other Inputs**

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

| | | |
|---|---|---|
| Single Discount Rate | 3.65% | |
| Salary Scale | 3.50% | |
| Rate of Inflation | 2.50% | |
| Marriage Rate | 70.00% | |
| Participation Rate | 100.00% | |
| Healthcare Cost Trend Rates | 7.00% | for 2024, decreasing to an ultimate rate of 3.94% for 2093 |

## *Note 12* Postemployment Benefits Other Than Pensions (OPEB) - Continued

**Actuarial Assumptions and Other Inputs - Continued**

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date (or the nearest business day thereto).

The salary scale was based on the School District's review of historical experience as well as future expectations.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality, using Mortality Improvement Scale MP-2021 for retirees and surviving spouses.

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death or retirement.

Retirement rates are based on tables used by the New York State Teachers' Retirement System and New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2023 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

**Changes in the Total OPEB Liability**

| | Total OPEB Liability |
|---|---|
| **Balance at June 30, 2023** | $ 293,061,718 |
| **Changes for the Year** | |
| Service Cost | 10,645,631 |
| Interest Cost | 10,617,163 |
| Changes of Benefit Terms | - |
| Differences Between Expected and Actual Experience | - |
| Changes in Assumptions or Other Inputs | (5,413,574) |
| Benefit Payments | (7,574,993) |
| Net Change | 8,274,227 |
| **Balance at June 30, 2024** | **$ 301,335,945** |

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

*Note 12* **Postemployment Benefits Other Than Pensions (OPEB) - Continued**

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

| | 1% Decrease (2.65%) | Discount Rate (3.65%) | 1% Increase (4.65%) |
|---|---|---|---|
| Total OPEB Liability | $ 356,110,891 | $ 301,335,945 | $ 257,896,121 |

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

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|---|---|---|---|
| Total OPEB Liability | $ 249,642,195 | $ 301,335,945 | $ 369,425,909 |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**
For the year ended June 30, 2024, the School District recognized OPEB expense of $6,245,284.

At June 30, 2024, the School 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 | $ 146,373 | $ 8,489,983 |
| Changes in Assumptions or Other Inputs | 19,499,204 | 45,648,943 |
| Contributions Subsequent to Measurement Date | 8,105,214 | - |
| **Total** | **$ 27,750,791** | **$ 54,138,926** |

## *Note 12* Postemployment Benefits Other Than Pensions (OPEB) - Continued

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

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the OPEB liability in the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending June 30, | Amount |
|---|---|
| 2025 | $ (9,005,433) |
| 2026 | (3,574,134) |
| 2027 | (6,360,905) |
| 2028 | (8,475,305) |
| 2029 | (6,504,750) |
| Thereafter | (572,822) |

### Current Year Activity

The following is a summary of current year activity:

| | Beginning Balance | Change | Ending Balance |
|---|---|---|---|
| Other Postemployment Benefits Liability | $ 293,061,718 | $ 8,274,227 | $ 301,335,945 |
| Deferred Outflows of Resources | (35,314,496) | 7,563,705 | (27,750,791) |
| Deferred Inflows of Resources | 71,836,788 | (17,697,862) | 54,138,926 |
| **Total Effect on Net Position** | **$ 329,584,010** | **$ (1,859,930)** | **$ 327,724,080** |

## *Note 13* Commitments and Contingencies

### General Information

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. 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 three years.

### Health Insurance

The School District is self-insured for employee medical, dental, and prescription drug insurance coverage. The School District uses a third party administrator who is responsible for processing claims and estimating liabilities. The School District has also purchased stop-loss insurance for major medical claims.

*Note 13* **Commitments and Contingencies - Continued**

**Health Insurance - Continued**
Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-out and other economic and social factors.

During the year ended June 30, 2024, the School District incurred premiums or contribution expenditures totaling $21,833,959.

**Workers' Compensation Insurance**
The School District incurs costs related to a workers' compensation insurance plan (Plan) sponsored by BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. School Districts joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan after that time by forwarding a resolution passed by the School District's Board of Education prior to the end of the fiscal year.

Plan members include eight districts and one BOCES, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. 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 expense in the periods in which they are made.

During the year ended June 30, 2024, the School District incurred premiums or contribution expenditures totaling $1,027,813.

**Non-Pool, Risk Retained**
The School District has chosen to establish a self-insured plan for risks associated with unemployment insurance, which is accounted for in the School District's General Fund as reserve and includes provisions for unexpected and unusual claims.

*Note 13* **Commitments and Contingencies - Continued**

**Other Items**

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

*Note 14* **Fund Balance Detail**

At June 30, 2024, nonspendable, restricted, and assigned fund balances in the governmental funds were as follows:

| | General Fund | School Lunch Fund | Non-Major Governmental Funds |
|---|---|---|---|
| **Nonspendable** | | | |
| Inventory | $ - | $ 98,219 | $ - |
| **Total Nonspendable Fund Balance** | **$ -** | **$ 98,219** | **$ -** |
| **Restricted** | | | |
| Retirement Contribution Reserve - ERS | $ 2,520,980 | $ - | $ - |
| Retirement Contribution Reserve - TRS | 1,492,284 | - | - |
| Tax Certiorari Reserve | 623,262 | - | - |
| Insurance Liability Reserve | 265,563 | - | - |
| Property Loss and Liability Reserve | 378,067 | - | - |
| Health Insurance Reserve | 5,136,591 | - | - |
| Employee Benefit Accrued Liability Reserve | 305,971 | - | - |
| Capital Reserve | 5,592,269 | - | - |
| School Lunch | - | 29,189 | - |
| Debt | - | - | 3,157,231 |
| Scholarships | - | - | 784,894 |
| **Total Restricted Fund Balance** | **$ 16,314,987** | **$ 29,189** | **$ 3,942,125** |
| **Assigned** | | | |
| Appropriated for Next Year's Budget | $ 8,743,680 | $ - | $ - |
| Encumbered for: | | | |
| General Support | 1,671,183 | - | - |
| Instruction | 1,285,518 | - | - |
| Pupil Transportation | 458,813 | - | - |
| Employee Benefits | 20,263 | - | - |
| **Total Assigned Fund Balance** | **$ 12,179,457** | **$ -** | **$ -** |

## *Note 15* General Fund Restricted Fund Balances

Portions of restricted fund balance are reserved and are not available for current expenditures as reported in the General Fund Governmental Funds Balance Sheet. The General Fund reserves balances and activity for the year ended June 30, 2024 of the reserves were as follows:

| General Fund | Beginning Balance | Additions | Interest Earned | Appropriated | Ending Balance |
|---|---|---|---|---|---|
| Retirement Contribution Reserve | $ 2,463,193 | $ 1,000,000 | $ 57,787 | $ (1,000,000) | $ 2,520,980 |
| TRS Reserve | 1,458,077 | - | 34,207 | - | 1,492,284 |
| Property Loss and Liability Reserve | 369,400 | - | 8,667 | - | 378,067 |
| Tax Certiorari Reserve | 608,975 | - | 14,287 | - | 623,262 |
| Insurance Liability Reserve | 259,476 | - | 6,087 | - | 265,563 |
| Employee Benefit Accrued Liability Reserve | 298,958 | - | 7,013 | - | 305,971 |
| Capital Reserve | 5,508,867 | 1,200,000 | 129,239 | (1,245,837) | 5,592,269 |
| Health Insurance Reserve | 5,018,848 | 600,000 | 117,743 | (600,000) | 5,136,591 |
| **Total** | **$ 15,985,794** | **$ 2,800,000** | **$ 375,030** | **$ (2,845,837)** | **$ 16,314,987** |

## *Note 16* Stewardship, Compliance, and Accountability

### Deficit Net Position

At June 30, 2024, the District-wide Statement of Net Position had a deficit net position of $177,816,723. This is primarily the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this (see Note 12). The deficit is not expected to be eliminated during the normal course of operations.

The Capital Projects Fund reported an unrestricted fund balance deficit of $20,075,225 at June 30, 2024. This is due to $36,655,000 in BANs outstanding; the deficit will be eliminated when the BANs are converted to long-term debt.

## *Note 17* Tax Abatements

For the year ended June 30, 2024, property in the School District was subject to property tax abatements negotiated by the Tompkins County Industrial Development Agency (TCIDA), the City of Ithaca (the City), and the Town of Ithaca (the Town).

*Note 17* **Tax Abatements - Continued**

TCIDA enters into payment in lieu of taxes (PILOT) agreements with businesses within Tompkins County under New York State GML §858. Economic development agreements entered into by TCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which TCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

The Town entered into a property tax abatement agreement with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town.

Information relevant to disclosure of the program for the year ended June 30, 2024 is as follows:

| | Tax Value | PILOT Received | Taxes Abated |
|---|---|---|---|
| Tompkins County Industrial Development Agency | $ 4,563,059 | $ 1,767,103 | $2,795,956 |
| Town of Ithaca | 460,795 | 370,599 | 90,196 |
| **Total PILOT Agreements** | **$ 5,023,854** | **$ 2,137,702** | **$2,886,152** |

*Note 18* **Health Insurance**

Effective July 1, 2017, the School District became self-insured for health insurance for its employees and retirees. The School District maintains the activity for its health insurance in the Internal Service Fund and has separate bank accounts established. The balance at June 30, 2024 is primarily composed of 2023-2024 claims paid after June 30, 2024 of $132,345, and an estimate of incurred but not reported (IBNR) claims of $1,445,790. In addition to the above, the School District maintains a health insurance reserve in the General Fund, with funding of $5,136,591.

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP)
## GENERAL FUND
## FOR THE YEAR ENDED JUNE 30, 2024

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **REVENUES** | | | | |
| **Local Sources** | | | | |
| Real Property Taxes | $ 107,714,290 | $ 104,007,741 | $ 103,204,799 | $ (802,942) |
| Real Property Tax Items | 2,093,710 | 5,800,259 | 6,158,144 | 357,885 |
| Charges for Services | 410,500 | 494,255 | 889,377 | 395,122 |
| Use of Money and Property | 495,000 | 495,000 | 2,538,109 | 2,043,109 |
| Sale of Property and Compensation for Loss | 67,000 | 244,375 | 425,472 | 181,097 |
| Miscellaneous | 2,183,000 | 2,314,500 | 3,604,705 | 1,290,205 |
| **Total Local Sources** | 112,963,500 | 113,356,130 | 116,820,606 | 3,464,476 |
| State Sources | 36,705,901 | 36,705,901 | 38,836,301 | 2,130,400 |
| Medicaid Reimbursement | 175,000 | 175,000 | 353,328 | 178,328 |
| **Total Revenues and Other Financing Sources** | 149,844,401 | 150,237,031 | **$ 156,010,235** | **$ 5,773,204** |
| Appropriated Fund Balance | 8,743,679 | 8,743,679 | | |
| Designated Fund Balance and Encumbrances Carried Forward From Prior Year | 3,024,015 | 3,024,015 | | |
| **Total Revenues, Appropriated Reserves, and Designated Fund Balance** | **$ 161,612,095** | **$ 162,004,725** | | |

*See Notes to Required Supplementary Information*

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP)
## GENERAL FUND
## FOR THE YEAR ENDED JUNE 30, 2024

| | Original Budget | Final Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|---|
| **EXPENDITURES** | | | | | |
| **General Support** | | | | | |
| Board of Education | $ 173,256 | $ 246,271 | $ 235,961 | $ 4,952 | $ 5,358 |
| Central Administration | 429,022 | 453,569 | 450,585 | 2,984 | - |
| Finance | 1,185,784 | 1,213,654 | 1,192,923 | 11,510 | 9,221 |
| Staff | 2,319,985 | 2,203,144 | 1,773,775 | 418,025 | 11,344 |
| Central Services | 12,864,605 | 13,131,973 | 11,819,952 | 1,217,150 | 94,871 |
| Special Items | 3,225,495 | 3,234,901 | 3,174,358 | 16,562 | 43,981 |
| **Total General Support** | 20,198,147 | 20,483,512 | 18,647,554 | 1,671,183 | 164,775 |
| **Instruction** | | | | | |
| Instruction, Administration, and Improvement | 7,351,765 | 7,513,545 | 7,428,953 | 76,769 | 7,823 |
| Teaching - Regular School | 37,903,937 | 36,867,013 | 36,403,823 | 457,056 | 6,134 |
| Programs for Children With Handicapping Conditions | 23,047,233 | 23,070,899 | 22,164,700 | 596,386 | 309,813 |
| Occupational Education | 2,393,722 | 2,393,722 | 2,382,501 | - | 11,221 |
| Occupational Education | 129,378 | 397,890 | 145,376 | - | 252,514 |
| Teaching - Special School | - | 14,127 | 14,127 | - | - |
| Instructional Media | 3,137,389 | 3,387,782 | 3,264,090 | 13,331 | 110,361 |
| Pupil Services | 7,780,921 | 8,287,545 | 7,478,372 | 141,976 | 667,197 |
| **Total Instruction** | 81,744,345 | 81,932,523 | 79,281,942 | 1,285,518 | 1,365,063 |
| Pupil Transportation | 7,638,628 | 7,106,080 | 6,308,361 | 458,813 | 338,906 |
| Community Services | 13,000 | 13,000 | - | - | 13,000 |
| Employee Benefits | 38,555,240 | 38,185,387 | 36,619,578 | 20,263 | 1,545,546 |
| **Debt Service** | | | | | |
| Principal | 11,352,534 | 10,060,886 | 10,042,995 | - | 17,891 |
| Interest | - | 2,381,648 | 2,381,648 | - | - |
| **Total Debt Service** | 11,352,534 | 12,442,534 | 12,424,643 | - | 17,891 |
| **Total Expenditures** | 159,501,894 | 160,163,036 | 153,282,078 | 3,435,777 | 3,445,181 |
| **OTHER FINANCING USES** | | | | | |
| Operating Transfers Out | 2,110,201 | 1,841,689 | 1,830,234 | - | 11,455 |
| **Total Expenditures and Other Financing Uses** | **$ 161,612,095** | **$ 162,004,725** | 155,112,312 | **$ 3,435,777** | **$ 3,456,636** |
| Net Change in Fund Balance | | | 897,923 | | |
| Fund Balance - Beginning of Year | | | 33,908,334 | | |
| **Fund Balance - End of Year** | | | **$ 34,806,257** | | |

*See Notes to Required Supplementary Information*

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
## NYSLRS PENSION PLAN
## FOR THE LAST 10 FISCAL YEARS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution | **$ 2,523,471** | $ 1,749,082 | $ 2,430,587 | $ 2,181,119 | $ 2,144,250 | $ 2,164,853 | $ 2,149,254 | $ 2,126,060 | $ 2,122,787 | $ 2,794,159 |
| Contributions in Relation to the Contractually Required Contribution | **(2,523,471)** | (1,749,082) | (2,430,587) | (2,181,119) | (2,144,250) | (2,164,853) | (2,149,254) | (2,126,060) | (2,122,787) | (2,794,159) |
| Contribution Deficiency (Excess) | - | - | - | - | - | - | - | - | - | - |
| School District's Covered Employee Payroll | **20,457,708** | 16,864,040 | 15,611,252 | 15,588,638 | 15,353,616 | 15,046,017 | 14,526,936 | 13,663,001 | 13,498,982 | 14,381,042 |
| Contributions as a Percentage of Covered Employee Payroll | **12.3%** | 10.4% | 15.6% | 14.0% | 14.0% | 14.4% | 14.8% | 15.6% | 15.7% | 19.4% |

## SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
## NYSTRS PENSION PLAN
## FOR THE LAST 10 FISCAL YEARS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution | **$ 5,653,351** | $ 5,147,608 | $ 4,678,252 | $ 4,288,374 | $ 4,898,426 | $ 4,442,779 | $ 3,994,249 | $ 4,485,144 | $ 4,906,864 | $ 6,361,502 |
| Contributions in Relation to the Contractually Required Contribution | **(5,653,351)** | (5,147,608) | (4,678,252) | (4,288,374) | (4,898,426) | (4,442,779) | (3,994,249) | (4,485,144) | (4,906,864) | (6,361,502) |
| Contribution Deficiency (Excess) | - | - | - | - | - | - | - | - | - | - |
| School District's Covered Employee Payroll | **57,923,678** | 49,976,777 | 47,737,265 | 44,998,678 | 55,038,494 | 41,794,722 | 34,080,623 | 38,269,147 | 37,005,008 | 36,289,230 |
| Contributions as a Percentage of Covered Employee Payroll | **9.8%** | 10.3% | 9.8% | 9.5% | 8.9% | 10.6% | 9.8% | 11.7% | 13.3% | 17.5% |

*See Notes to Required Supplementary Information*

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| School District's Proportion of the Net Pension (Asset)/Liability | **0.0581753%** | 0.0458073% | 0.0461092% | 0.0449555% | 0.0466635% | 0.0478679% | 0.0462708% | 0.0425747% | 0.0462759% | 0.0505510% |
| School District's Proportionate Share of the Net Pension (Asset)/Liability | **$ 8,565,759** | $ 9,822,942 | $ 3,769,238 | $ 44,764 | $ 12,356,764 | $ 3,391,583 | $ 1,493,366 | $ 4,000,418 | $ 7,427,417 | $ 1,707,736 |
| School District's Covered Employee Payroll During the Measurement Period | **20,462,156** | 15,664,668 | 15,593,446 | 15,501,684 | 15,223,871 | 15,046,017 | 14,411,936 | 13,413,356 | 13,290,832 | 14,744,445 |
| School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll | **41.9%** | 62.7% | 24.2% | 0.3% | 81.2% | 22.5% | 10.4% | 29.8% | 55.9% | 11.6% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | **93.9%** | 90.8% | 103.7% | 99.9% | 86.4% | 96.3% | 98.2% | 94.7% | 90.7% | 97.9% |
| **The Following is a Summary of Changes of Assumptions** | | | | | | | | | | |
| Inflation | **2.90%** | 2.90% | 2.70% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Salary Increases | **4.40%** | 4.40% | 4.40% | 4.50% | 4.20% | 3.80% | 3.80% | 3.80% | 3.80% | 3.80% |
| Cost of Living Adjustments | **1.50%** | 1.50% | 1.40% | 1.30% | 1.30% | 1.30% | 1.30% | 1.30% | 1.30% | 1.30% |
| Investment Rate of Return | **5.90%** | 5.90% | 5.90% | 6.80% | 6.80% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Discount Rate | **5.90%** | 5.90% | 5.90% | 6.80% | 6.80% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Society of Actuaries' Mortality Scale | **MP-2021** | MP-2021 | MP-2020 | MP-2019 | MP-2018 | MP-2014 | MP-2014 | MP-2014 | MP-2014 | MP-2014 |

*See Notes to Required Supplementary Information*

# ITHACA CITY SCHOOL DISTRICT

## SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| School District's Proportion of the Net Pension (Asset)/Liability | **0.2579620%** | 0.2583530% | 0.2561450% | 0.2546620% | 0.2506290% | 0.2502180% | 0.2414940% | 0.2398090% | 0.2415840% | 0.2548350% |
| School District's Proportionate Share of the Net Pension (Asset)/Liability | **$ 2,950,011** | $ 4,957,516 | $ (44,387,449) | $ 7,037,088 | $ (6,511,362) | $ (4,524,594) | $ (1,835,597) | $ 2,568,459 | $ (25,092,902) | $ (28,387,060) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | **99.2%** | 98.6% | 113.2% | 97.8% | 102.2% | 101.5% | 100.7% | 99.0% | 100.5% | 111.5% |
| **The Following is a Summary of Changes of Assumptions** | | | | | | | | | | |
| Inflation | **2.40%** | 2.40% | 2.20% | 2.20% | 2.25% | 2.25% | 2.50% | 3.00% | 3.00% | 3.00% |
| Salary Increases | **1.95% - 5.18%** | 1.95% - 5.18% | 1.90% - 4.72% | 1.90% - 4.72% | 1.90% - 4.72% | 1.90% - 4.72% | 1.90% - 4.72% | 4.0% - 10.9% | 4.0% - 10.9% | 4.0% - 10.9% |
| Cost of Living Adjustments | **1.30%** | 1.30% | 1.30% | 1.30% | 1.50% | 1.50% | 1.50% | 1.50% | 1.63% | 1.63% |
| Investment Rate of Return | **6.95%** | 6.95% | 7.10% | 7.10% | 7.25% | 7.25% | 7.50% | 8.00% | 8.00% | 8.00% |
| Discount Rate | **6.95%** | 6.95% | 7.10% | 7.10% | 7.25% | 7.25% | 7.50% | 8.00% | 8.00% | 8.00% |
| Society of Actuaries' Mortality Scale | **MP-2021** | MP-2020 | MP-2019 | MP-2018 | MP-2014 | MP-2014 | MP-2014 | AA | AA | AA |

*See Notes to Required Supplementary Information*

# ITHACA CITY SCHOOL DISTRICT

## SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Service Cost | **$ 10,645,631** | $ 12,083,191 | $ 12,224,214 | $ 9,431,223 | $ 8,824,964 | $ 9,760,782 | $ 12,775,684 | $ * | $ * | $ * |
| Interest Cost | **10,617,163** | 7,357,976 | 7,276,452 | 10,319,752 | 10,321,698 | 11,311,116 | 9,808,019 | * | * | * |
| Changes of Benefit Terms | **-** | - | - | - | - | - | - | * | * | * |
| Differences Between Expected and Actual Experience | **-** | 208,527 | - | (13,627,908) | - | (29,901,783) | - | * | * | * |
| Changes in Assumptions or Other Inputs | **(5,413,574)** | (54,058,225) | 3,754,661 | 33,674,353 | 16,172,719 | (30,024,208) | (42,058,077) | * | * | * |
| Benefit Payments | **(7,574,993)** | (8,554,486) | (8,515,275) | (7,863,138) | (7,709,115) | (7,685,365) | (7,222,740) | * | * | * |
| | **8,274,227** | (42,963,017) | 14,740,052 | 31,934,282 | 27,610,266 | (46,539,458) | (26,697,114) | * | * | * |
| Total OPEB Liability - Beginning of Year | **293,061,718** | 336,024,735 | 321,284,683 | 289,350,401 | 261,740,135 | 308,279,593 | 334,976,707 | * | * | * |
| **Total OPEB Liability - End of Year** | **$ 301,335,945** | $ 293,061,718 | $ 336,024,735 | $ 321,284,683 | $ 289,350,401 | $ 261,740,135 | $ 308,279,593 | $ 334,976,707 | $ * | $ * |
| Covered Employee Payroll | **$ 76,066,016** | $ 60,995,675 | $ 69,858,242 | $ 64,464,881 | $ 56,701,456 | $ 55,823,339 | $ 57,102,499 | $ * | $ * | $ * |
| **Total OPEB Liability as a Percentage of Covered Payroll** | **396%** | 480% | 481% | 498% | 510% | 469% | 540% | * | * | * |
| **The Following is a Summary of Changes of Assumptions** | | | | | | | | | | |
| Healthcare Cost Trend Rates | **7.0% - 3.9%** | 7.0% - 3.9% | 7.0% - 4.0% | 7.0% - 4.0% | 7.0% - 43.9% | 7.0% - 3.8% | 7.0% - 3.8% | | | |
| Salary Increases | **3.50%** | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | | | |
| Discount Rate | **3.65%** | 3.54% | 2.14% | 2.21% | 3.50% | 3.87% | 3.87% | | | |
| Society of Actuaries' Mortality Scale | **MP-2021** | MP-2021 | MP-2020 | MP-2020 | MP-2018 | MP-2018 | MP-2018 | | | |

* *Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.*

*See Notes to Required Supplementary Information*

# ITHACA CITY SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
## JUNE 30, 2024

*Note 1* **Procedures and Budgetary Accounting**

The School District administration prepares a proposed budget for approval by the Board of Education (Board) for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund. The General Fund is the only fund with a legally adopted budget.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them due to a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

| | |
|---|---|
| Belle Sherman Fifth Grade Class | $ 1,238 |
| Cayuga Heights PTA | 5,520 |
| Discovery Trail | 39,521 |
| Emily and Joseph Metz, Jr. | 500 |
| Frantz Law Group | 9,273 |
| IPEI | 58,526 |
| NYS Insurance Reciprocal | 177,375 |
| South Hill PTA | 4,500 |
| SUNY Cortland | 3,100 |
| Various | 92,577 |
| Visions Federal Credit Union | 500 |
| **Total Additions** | **$ 392,630** |

The following schedule reconciles the adopted budget to the final budget:

| | |
|---|---|
| Adopted Budget | $ 158,588,080 |
| Prior Year Encumbrances | 3,024,015 |
| Original Budget | 161,612,095 |
| Budget Revisions: | |
| Supplemental Appropriations | 392,630 |
| **Final Budget** | **$ 162,004,725** |

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

*Note 1* **Procedures and Budgetary Accounting - Continued**

An annual legal budget is not adopted for the Special Revenue Funds (Special Aid, School Lunch, and Miscellaneous Special Revenue Fund). Budgetary controls are established in accordance with applicable grant agreements and management estimates. Special Aid grants may also cover a period other than the School District's fiscal year. Budgetary controls for the School Lunch and Miscellaneous Special Revenue Funds are established internally.

*Note 2* **Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are presented in a separate column and are not included in the actual results at June 30, 2024.

*Note 3* **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability)**

**NYSLRS**

**Changes in Benefit Terms**

None.

**NYSTRS**

**Changes in Benefit Terms**

Effective with the 2023 actuarial valuation, the following plan change was effective. Chapter 720 on the Laws of 2022 changed the age at which reduction in the ordinary death benefit commence to age 62 for member with a date of membership prior to April 1, 2012 (before it was 61), and to age 63 for members with a date of membership on or after April 1, 2012 (before it was 61). The post-retirement death benefit has been increased as well.

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2024

### CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

| | | |
|---|---|---|
| Adopted Budget | | $ 158,588,080 |
| Prior Year's Encumbrances | | 3,024,015 |
| Original Budget | | 161,612,095 |
| Supplemental Appropriations | | 392,630 |
| **Final Budget** | | **$ 162,004,725** |

### §1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

| | | |
|---|---|---|
| **2024-2025 Voter-Approved Budget** | **$ 163,012,098** | |
| **Maximum Allowed (4% of 2024-2025 Budget)** | | **$ 6,520,484** |
| **General Fund Fund Balance Subject to §1318 of Real Property Tax Law** | | |
| **Unrestricted Fund Balance** | | |
| Assigned Fund Balance | $ 12,179,457 | |
| Unassigned Fund Balance | 6,311,813 | |
| **Total Unrestricted Fund Balance** | 18,491,270 | |
| **(Less)** | | |
| Appropriated Fund Balance | $ 8,743,680 | |
| Encumbrances Included in Assigned Fund Balance | 3,435,777 | |
| **Total Adjustments** | 12,179,457 | |
| **General Fund Fund Balance Subject to §1318 of Real Property Tax Law** | | **$ 6,311,813** |
| Actual Percentage | | 3.87% |

# ITHACA CITY SCHOOL DISTRICT

## SCHEDULE OF PROJECT EXPENDITURES
## CAPITAL PROJECTS FUND
## FOR THE YEAR ENDED JUNE 30, 2024

| | | | Expenditures | | | | Methods of Financing | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT TITLE | Original Budget | Revised Budget | Prior Years | Current Year | Total | Unexpended Balance | Proceeds of Obligations | State Aid | Local Sources | Total | Fund Balance (Deficit) June 30, 2024 |
| Capital Improvement and Equipment - "P" and Site Acquisition - "SA" | $ 1,363,883 | $ 5,088,386 | $ 6,722,322 | $ 219,621 | $ 6,941,943 | $ (1,853,557) | $ - | $ - | $ 7,283,015 | $ 7,283,015 | $ 341,072 * |
| Boynton Bleachers | 100,000 | 94,386 | - | 94,386 | 94,386 | - | - | - | 94,386 | 94,386 | - * |
| Renovation Project - "O" | 6,500,000 | 6,500,362 | 6,500,362 | - | 6,500,362 | - | 6,500,000 | - | 362 | 6,500,362 | - * |
| Capital Reserve Renovations - "CR" | 880,201 | 9,677,561 | 16,784,790 | 2,290,021 | 19,074,811 | (9,397,250) | - | - | 18,568,284 | 18,568,284 | (506,527) * |
| Caroline Elementary | 100,000 | 79,955 | - | 79,955 | 79,955 | | - | - | 79,955 | 79,955 | - * |
| Additions/Alterations | 120,000,000 | 120,000,000 | 47,542,979 | 15,814,246 | 63,357,225 | 56,642,775 | 78,205,000 | - | 2,350,396 | 80,555,396 | 17,198,171 * |
| SMART Bond Project | 2,561,479 | 2,561,479 | 2,089,733 | 18,626 | 2,108,359 | 453,120 | - | 2,066,937 | - | 2,066,937 | (41,422) |
| 125M Year Bond | 125,000,000 | 125,000,000 | - | 411,519 | 411,519 | 124,588,481 | - | - | - | - | (411,519) |
| Lease Obligations | 4,766,793 | 4,766,793 | - | 1,870,556 | 1,870,556 | 2,896,237 | 1,870,556 | - | - | 1,870,556 | - |
| Subtotal | 261,272,356 | 273,768,922 | 79,640,186 | 20,798,930 | 100,439,116 | 173,329,806 | 86,575,556 | 2,066,937 | 28,376,398 | 117,018,891 | 16,579,775 |
| Unredeemed BANs | - | - | - | - | - | - | (36,655,000) | - | - | (36,655,000) | (36,655,000) |
| **Total** | **$ 261,272,356** | **$ 273,768,922** | **$ 79,640,186** | **$ 20,798,930** | **$ 100,439,116** | **$ 173,329,806** | **$ 49,920,556** | **$ 2,066,937** | **$ 28,376,398** | **$ 80,363,891** | **$ (20,075,225)** |

* *Architectural and State Approved Budget Modifications for Sub-Project Reallocations not Yet Finalized and Available at This Report Date.*

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
## JUNE 30, 2024

| | |
|---|---|
| **Capital Assets, Net** | $ 187,628,533 |
| Add: | |
| Unamortized Deferred Amount on Refunding | 350,508 |
| Unspent Bond Proceeds | 14,847,775 |
| (Deduct): | |
| Bond Anticipation Notes Payable | (36,655,000) |
| Premium on Bonds Payable | (3,745,049) |
| Short-Term Portion of Bonds Payable | (4,315,000) |
| Long-Term Portion of Bonds Payable | (52,645,000) |
| Capital Fund Payables | (3,362,086) |
| Lease Liabilities | (3,275,496) |
| Short-Term Portion of Installment Purchase Debt | (678,058) |
| Long-Term Portion of Installment Purchase Debt | (4,751,204) |
| **Net Investment in Capital Assets** | **$ 93,399,923** |

# *ITHACA CITY SCHOOL DISTRICT*

## TEN YEAR COMPARATIVE SCHEDULE
## OF ACTUAL REVENUES AND EXPENDITURES - GENERAL FUND

| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | |
| Tax (Including STAR) | $ 109,362,943 | $ 106,019,427 | $ 98,081,537 | $ 93,802,475 | $ 92,296,640 | $ 89,218,366 | $ 87,133,496 | $ 84,756,265 | $ 83,178,972 | $ 81,357,417 |
| Tuition | 889,377 | 605,223 | 592,980 | 578,285 | 594,386 | 621,496 | 487,858 | 559,185 | 471,617 | 482,834 |
| Other Revenues from Local Sources | 2,963,581 | 1,591,108 | 417,665 | 308,367 | 805,867 | 1,062,791 | 573,768 | 503,784 | 575,027 | 385,203 |
| Revenues From State Sources | 38,836,301 | 35,254,895 | 34,073,222 | 30,654,070 | 32,332,223 | 32,109,344 | 31,370,164 | 30,542,240 | 28,635,438 | 26,629,928 |
| Revenues From Federal Sources | 353,328 | 440,527 | 398,064 | 1,072,104 | 324,693 | 347,195 | 234,994 | 170,181 | 160,116 | 101,587 |
| Transfers From Other Funds | - | - | - | 186,034 | 124,606 | 673,717 | 155,612 | 252,275 | 72,096 | 552,365 |
| Miscellaneous | 3,604,705 | 3,614,776 | 3,862,448 | 2,841,487 | 2,172,191 | 2,517,195 | 2,623,457 | 2,042,210 | 2,767,452 | 2,021,026 |
| Refund of Prior Year (Health Consortium) | - | - | - | - | 3,698,460 | - | - | - | - | - |
| **Total Revenues Realized** | 156,010,235 | 147,525,956 | 137,425,916 | 129,442,822 | 132,349,066 | 126,550,104 | 122,579,349 | 118,826,140 | 115,860,718 | 111,530,360 |
| **EXPENDITURES** | | | | | | | | | | |
| Board of Education | 235,961 | 158,643 | 119,816 | 140,953 | 148,365 | 140,916 | 126,446 | 125,950 | 129,033 | 100,576 |
| Administration | 3,417,283 | 3,236,376 | 2,907,836 | 2,787,970 | 2,544,555 | 2,564,816 | 2,521,701 | 2,641,364 | 2,086,423 | 2,148,133 |
| Instruction-Regular Day School | 79,281,942 | 71,730,329 | 66,916,585 | 65,608,158 | 62,306,285 | 60,188,581 | 58,193,817 | 54,838,323 | 51,782,368 | 51,323,026 |
| Community Services | - | - | - | - | - | 4,361 | 4,588 | 5,004 | 6,653 | 7,094 |
| Transportation | 6,308,361 | 6,761,899 | 6,826,559 | 5,252,674 | 4,947,666 | 5,214,110 | 5,140,363 | 5,072,310 | 5,079,567 | 4,839,329 |
| Operation and Maintenance of Plant | 7,315,437 | 7,396,907 | 7,216,606 | 6,543,900 | 6,407,949 | 6,412,541 | 6,352,898 | 5,973,059 | 5,904,848 | 5,822,458 |
| Data Processing Unit | 7,069,756 | 3,881,555 | 3,479,308 | 4,378,376 | 4,149,330 | 4,079,172 | 3,947,279 | 4,133,921 | 4,669,899 | 4,303,654 |
| Employee Benefits | 36,619,578 | 34,436,014 | 32,243,392 | 31,311,446 | 28,931,251 | 34,056,696 | 31,189,749 | 29,153,720 | 28,378,711 | 29,937,319 |
| Insurance | 546,406 | 487,368 | 442,408 | 428,196 | 472,021 | 447,149 | 497,142 | 444,963 | 439,208 | 443,270 |
| Special Items and Unclassified | 62,711 | 2,061,423 | 1,992,264 | 1,926,742 | 3,593,171 | 1,795,340 | 1,683,784 | 1,670,799 | 1,574,293 | 1,649,754 |
| Debt Service | 12,424,643 | 11,449,398 | 10,943,346 | 8,629,511 | 8,492,526 | 8,771,956 | 9,415,410 | 8,724,329 | 8,195,941 | 8,130,128 |
| Interfund Transfers | 1,830,234 | 1,759,782 | 1,916,454 | 2,321,516 | 4,232,288 | 1,776,893 | 2,894,384 | 2,762,544 | 2,340,957 | 1,802,758 |
| **Total Expenditures** | 155,112,312 | 143,359,694 | 135,004,574 | 129,329,442 | 126,225,407 | 125,452,531 | 121,967,561 | 115,546,286 | 110,587,901 | 110,507,499 |
| (Less): Accounting Adjustment - Funding of Health Insurance Reserve | - | - | - | - | (4,358,427) | - | - | - | - | - |
| **Excess (Deficiency) of Revenues** | $ 897,923 | $ 4,166,262 | $ 2,421,342 | $ 113,380 | $ 1,765,232 | $ 1,097,573 | $ 611,788 | $ 3,279,854 | $ 5,272,817 | $ 1,022,861 |

# *ITHACA CITY SCHOOL DISTRICT*

## BALANCE SHEET
## NON-MAJOR GOVERNMENTAL FUNDS
## JUNE 30, 2024

| | Debt Service Fund | Miscellaneous Special Revenue Fund | Total Non-Major Governmental Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash - Restricted | $ 417,907 | $ 243,031 | $ 660,938 |
| Investments - Restricted | 2,596,405 | 539,967 | 3,136,372 |
| Due From Other Funds | 142,919 | 1,896 | 144,815 |
| **Total Assets** | **$ 3,157,231** | **$ 784,894** | **$ 3,942,125** |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | |
| **Fund Balances** | | | |
| Restricted | $ 3,157,231 | $ 784,894 | $ 3,942,125 |
| **Total Fund Balances** | 3,157,231 | 784,894 | 3,942,125 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | **$ 3,157,231** | **$ 784,894** | **$ 3,942,125** |

# *ITHACA CITY SCHOOL DISTRICT*

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

| | Debt Service Fund | Miscellaneous Special Revenue Fund | Total Non-Major Governmental Funds |
|---|---|---|---|
| **REVENUES** | | | |
| Use of Money and Property | $ 1,285,146 | $ 27,661 | $ 1,312,807 |
| Miscellaneous | - | 17,290 | 17,290 |
| **Total Revenues** | 1,285,146 | 44,951 | 1,330,097 |
| **EXPENDITURES** | | | |
| General Support | 304,233 | - | 304,233 |
| Instruction | - | 39,658 | 39,658 |
| **Total Expenditures** | 304,233 | 39,658 | 343,891 |
| Excess of Revenues (Expenditures) | 980,913 | 5,293 | 986,206 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Premium on Obligations | 2,917,736 | - | 2,917,736 |
| Interfund Transfers (Out) | (2,310,000) | - | (2,310,000) |
| **Total Other Sources (Uses)** | 607,736 | - | 607,736 |
| Excess of Revenues (Expenditures) and Other Financing Uses (Sources) | 1,588,649 | 5,293 | 1,593,942 |
| Fund Balances, Beginning of Year | 1,568,582 | 779,601 | 2,348,183 |
| **Fund Balances, End of Year** | **$ 3,157,231** | **$ 784,894** | **$ 3,942,125** |

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

Board of Education
Ithaca City School District
Ithaca, New York

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ithaca City School District (the School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 14, 2024.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Report on Compliance and Other Matters**
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 14, 2024

insero&co
Certified Public Accountants | Business Advisors

# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Education
Ithaca City School District
Ithaca, New York

## Report on Compliance for Each Major Federal Program

### Opinion on Each Major Federal Program

We have audited the Ithaca City School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

### Basis for Opinion on Each Major Federal Program

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

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

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

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

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

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

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

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

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

**Report on Internal Control Over Compliance**

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

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

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

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

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 14, 2024

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass - Through Grantor Program Title | Federal ALN # | Pass - Through Grantor # | Pass - Through to Subrecipients | Expenditures |
|---|---|---|---|---|
| **U.S. Department of Education** | | | | |
| Passed Through NYS Department of Education: | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 0021243375 | $ - | $ 691,245 |
| Title I Grants to Local Educational Agencies | 84.010 | 0021233375 | - | 18,678 |
| Title I Grants to Local Educational Agencies | 84.010 | 0204243375 | - | 185,060 |
| | | Subtotal | - | 894,983 |
| Title III Strengthening Institutions | 84.031 | 0293243375 | - | 32,474 |
| Title III Strengthening Institutions | 84.031 | 0293233375 | - | 1 |
| | | Subtotal | - | 32,475 |
| Student Support and Academic Enrichment | 84.424 | 0204243375 | - | 120,901 |
| Student Support and Academic Enrichment | 84.424 | 0204233375 | - | 2,004 |
| | | Subtotal | - | 122,905 |
| Special Education Cluster: | | | | |
| Special Education - Grants to States | 84.027 | 0032240983 | - | 1,442,037 |
| (COVID-19) ARPA - Special Education - Grants to States | 84.027X | 5532240983 | - | 142,664 |
| Special Education - Preschool Grants | 84.173 | 0033240983 | - | 60,859 |
| Total Special Education Cluster | | | - | 1,645,560 |
| Supporting Effective Instruction State Grants | 84.367 | 0147243375 | - | 275,794 |
| English Language Acquisition Grants | 84.365 | 0149243375 | - | 25,215 |
| COVID-19 Education Stabilization Fund (ESF): | | | | |
| American Rescue Plan - Elementary and Secondary Emergency Relief Fund | 84.425U | 5880213375 | - | 1,126,017 |
| American Rescue Plan - Elementary and Secondary Emergency Relief Fund | 84.425U | 5882213375 | - | 28,988 |
| American Rescue Plan - Elementary and Secondary Emergency Relief Fund | 84.425U | 5883213375 | - | 3,632 |
| Total ESF | | | - | 1,158,637 |
| 21st Century Community Learning Centers | 84.287C | 0187247085 | - | 407,847 |
| **Total U.S. Department of Education** | | | - | 4,563,416 |
| **U.S. Department of Health and Human Services** | | | | |
| HeadStart | 93.600 | N/A | - | 269,367 |
| **U.S. Department of Agriculture** | | | | |
| Passed Through NYS Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | (1) | - | 287,722 |
| Summer Food Service Program for Children | 10.559 | (1) | - | 99,378 |
| National School Lunch Program | 10.555 | (1) | - | 1,130,324 |
| Total Child Nutrition Cluster | | | - | 1,517,424 |
| Local Food for Schools Cooperative Agreement | 10.185 | (1) | - | 47,580 |
| **Total U.S. Department of Agriculture** | | | - | 1,565,004 |
| **Total Expenditures of Federal Awards** | | | $ - | $ 6,397,787 |

(1) - Unknown

*See Notes to Schedule of Expenditures of Federal Awards*

# *ITHACA CITY SCHOOL DISTRICT*

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## JUNE 30, 2024

*Note 1* **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the School District, an entity as defined in Note 1 to the School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

*Note 2* **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

*Note 3* **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the Federal financial reports used as the source for the data presented. The School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

*Note 4* **Matching Costs**

Matching costs, such as the School District's share of certain program costs, are not included in the reported expenditures.

*Note 5* **Non-Monetary Federal Program**

The School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2024, the School District received $132,485 worth of commodities under the National School Lunch Program (ALN #10.555).

*Note 6* **Subrecipients**

No amounts were provided to subrecipients.

*Note 7* **Other Disclosures**

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

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

*Note 8* **Transferability**

As allowed by federal regulations, the School District elected to transfer program funds. The School District expended $143,091 from its Supporting Effective Instruction State Grants (ALN #84.367) and $64,562 from its Student Support and Academic Enrichments Program (ALN #84.424) on allowable activities of the Title I Grants to Local Education Agencies (ALN #84.010). This amount is reflected in the expenditures of Title I Grants to Local Education Agencies (ALN #84.010).

# *ITHACA CITY SCHOOL DISTRICT*

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## JUNE 30, 2024

**Section I Summary of Auditors' Results**

***Financial Statements***

| | |
|---|---|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | ___ yes _X_ no |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)? | ___ yes _X_ none reported |
| Noncompliance material to financial statements noted? | ___ yes _X_ no |

***Federal Awards***

| | |
|---|---|
| Internal control over major programs: | |
| Material weakness(es) identified? | ___ yes _X_ no |
| Significant deficiency(ies) identified that are not considered to be material weakness(es)? | ___ yes _X_ none reported |
| Type of auditors' report issued on compliance for major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? | ___ yes _X_ no |

Identification of major programs:

| CFDA Numbers | Name of Federal Program or Cluster |
|---|---|
| 10.553, 10.555, 10.559 | Child Nutrition Cluster |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B Programs: | $ 750,000 |
| Auditee qualified as low-risk? | _X_ yes ___ no |

**Section II Financial Statement Findings**

None noted.

**Section III Federal Award Findings and Questioned Costs**

None noted.

**FORM OF BOND COUNSEL'S OPINION**

July 10, 2025

City School District of the City of Ithaca,
Counties of Tompkins and Tioga,
State of New York

Re: City School District of the City of Ithaca, Tompkins and Tioga Counties, New York
$36,555,000 Bond Anticipation Notes, 2025 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $36,555,000 Bond Anticipation Notes, 2025 (Renewals) (the "Obligation"), of the City School District of the City of Ithaca, Counties of Tompkins and Tioga, State of New York (the "Obligor"), dated July 10, 2025, numbered 1, of the denomination of $36,555,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing July 10, 2026.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, 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 Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation 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 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage 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 municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP