PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

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

The Notes will be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

$9,400,000
LAFARGEVILLE CENTRAL SCHOOL DISTRICT
JEFFERSON COUNTY, NEW YORK
GENERAL OBLIGATIONS
$9,400,000 Bond Anticipation Notes, 2025

(the "Notes")

Dated: July 10, 2025 **Due: June 26, 2026**

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

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC").

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

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

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

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 24, 2025 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June 19, 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.

LAFARGEVILLE CENTRAL SCHOOL DISTRICT
JEFFERSON COUNTY, NEW YORK

DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

<ins>MATTHEW DUFFANY</ins>
President

<ins>JADA WALLDROFF</ins>
Vice President

MARY FORD-WATERMAN
CORTNEY ROBINSON
MATTHEW TIMERMAN

* * * * * * * * * * *

<ins>TRAVIS HOOVER</ins>
Superintendent

<ins>NICOLE PARLIAMENT</ins>
Business Manager

<ins>MICHELLE PAPIN</ins>
School District Clerk

<ins>FISCAL ADVISORS & MARKETING, INC.</ins>
Municipal Advisor

<ins>TRESPASZ LAW OFFICES, LLP</ins>
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

LAFARGEVILLE CENTRAL SCHOOL DISTRICT
JEFFERSON COUNTY, NEW YORK

Relating To

$9,400,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the LaFargeville Central School District, Jefferson County, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $9,400,000 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean… So, too,

> although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes are to be dated July 10, 2025 and will mature, without option of prior redemption, on June 26, 2026. 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) the name of the purchaser(s), as may be determined by the successful bidder(s) 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, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on January 9, 2023 and a proposition approved by the qualified voters on December 13, 2022 authorizing a $10,300,000 capital project and the issuance of $9,400,000 serial bonds and notes, and use of $900,000 capital reserve monies to finance the reconstruction and renovations of various District buildings and facilities.

The proceeds of the Notes will renew in full $8,000,000 bond anticipation notes outstanding and maturing July 11, 2025 and provide $1,400,00 new money for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that 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 is located in the northern portion of upstate New York and is comprised of approximately 98 square miles in the northern sector of Jefferson County. The District is comprised of portions of the Towns of Alexandria, Clayton, LeRay, Orleans, Pamelia and Theresa, with the largest component being the Town of Orleans.

Jefferson County and the greater Watertown area is an economic hub for northern New York. The City of Watertown is located approximately 15 miles south of the School District. Located nine miles east of Watertown is Fort Drum, home to nearly 20,000 soldiers, family members and civilian employees of the 10th Mountain Division (Light Infantry) and its supporting tenants. Fort Drum is the largest Army installation in the Northeast. Fort Drum occupies 107,265 acres in Jefferson County and stretches across the Towns of LeRay, Philadelphia, Antwerp, and Wilna. Fort Drum continues to be the largest single-site employer in Jefferson County and in Upstate New York.

The largest employer in the School District is Hood which manufactures dairy products. The Thousand Islands Bridge Authority is also a larger employer, and operates and maintains the toll bridges spanning the St. Lawrence River from Route 81 North to Wellesley Island and into Canada. The County's economy is also favorably blessed by its location adjacent to large Canadian markets.

Transportation needs of the area are served by various bus lines, the Watertown International Airport and various major highways including Interstate #81 and State Highways #12, #180 and #411.

Source: District officials.

Population

The current estimated population of the District is 3,276. (Source: 2023 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Alexandria	$ 22,112	$ 45,316	$ 60,240	$ 53,269	$ 67,091	$ 85,833
Clayton	25,568	32,376	46,221	55,862	75,969	82,583
Le Ray	17,940	24,367	29,216	40,836	54,400	70,572
Orleans	21,556	31,468	35,285	55,559	64,491	75,625
Pamelia	22,344	33,895	33,110	68,684	87,568	104,750
Theresa	23,168	29,258	34,884	49,770	69,301	88,287
County of:						
Jefferson	21,823	28,120	34,603	51,834	66,711	80,333
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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

Five Larger Employers

Name	Type	Employees
HP Hood LLC	Manufacturing	300
Price Chopper	Retail	85
TI Bridge Authority	Public Benefit Corporation	60
Town of Orleans	Municipal	30
Gillbuilt Transportation	Trucking/Service	25

Source: District officials

Unemployment Rate Statistics

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

Annual Average

	2017	2018	2019	2020	2021	2022	2023	2024
Jefferson County	6.5%	5.5%	5.4%	8.4%	5.1%	4.1%	4.1%	4.4%
New York State	4.6%	4.1%	3.8%	9.9%	7.1%	4.3%	4.1%	4.3%

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Jefferson County	5.8%	6.0%	5.2%	3.8%	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 unavailable as of the date of this Official Statement

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

Form of School Government

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

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, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 with a vote of 135 to 11. The District's budget for 2024-25 remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.21%, which was equal to the District's tax levy limit of 3.21%.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 with a vote of 60 to 3. The District's budget for 2025-26 remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.01%, which was equal to the District's tax levy limit of 2.01%.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (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; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; 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) savings accounts or money market accounts of designated banks; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of New York State; and (5) obligations of the United States Government (U.S. Treasury Bills and Notes).

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 57.83% 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.

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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 72.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

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

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

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 and the 2024-2025 and 2025-2026 budgeted figures comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 10,662,567	$ 6,333,609	59.40%
2020-2021	10,824,245	6,336,906	58.54
2021-2022	10,864,758	6,571,110	60.48
2022-2023	11,237,722	6,660,893	59.27
2023-2024	11,629,103	6,835,008	58.78
2024-2025 (Budgeted)	11,678,232	6,862,834	58.77
2025-2026 (Budgeted)	11,730,510	6,784,286	57.83

(1) General fund only, does not include inter-fund transfers or reserve funds.

Source: Audited financial statements for the 2019-2020 fiscal year through and including the 2023-2024 fiscal year, and the budgets of the District for the 2024-2025 and 2025-2026 fiscal years.

District Facilities

Name	Grades	Capacity	Year(s) Built/Reconstruction
LaFargeville Central School	PreK-12	750	1928, '50, '68, '97, 2010

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-21	468	2025-26	435
2021-22	479	2026-27	435
2022-23	471	2027-28	435
2023-24	462	2028-29	435
2024-25	435	2029-30	435

Source: District officials.

Employees

The District employs approximately 85 employees, some of whom are represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Number Represented	Union Representation	Contract Expiration Date
45	LaFargeville Teachers' Association	June 30, 2027
28	LaFargeville Civil Service Employees' Association	June 30, 2026

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, the budgeted figures for the 2025-2026 fiscal year are as follows:

Fiscal Year	ERS	TRS
2019-2020	$ 156,665	$ 358,709
2020-2021	140,864	302,789
2021-2022	156,131	320,047
2022-2023	125,747	349,289
2023-2024	142,438	364,681
2024-2025 (Budgeted)	175,000	390,000
2024-2025 (Unaudited Actual)	165,034	354,921
2025-2026 (Budgeted)	190,000	397,000

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

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

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

A chart of average ERS and TRS rates as a percent of payroll (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 a TRS reserve fund and is being funded with operating surplus.

Other Post Employee Benefits

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

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

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

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

The District contracted with Aquarius Capital to calculate its most recent 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
	$ 39,283,722	$ 30,036,791
Changes for the year:		
Service cost	771,457	663,821
Interest on total OPEB liability	1,465,087	1,183,669
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	(10,639,494)	(1,583,735)
Benefit payments	(843,981)	(890,123)
Net Changes	$ (9,246,931)	$ (626,368)
Balance ending at:	June 30, 2023	June 30, 2024
	$ 30,036,791	$ 29,410,423

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

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

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

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

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the 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". Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for 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 most recent State Comptroller audit report of the District dated March 18, 2022 was to determine whether District officials established adequate IT controls over physical IT assets and nonstudent network user account access for the period July 1, 2019 through June 3, 2021. Key findings and recommendations of the audit report are summarized below:

Key Findings:

District officials did not establish adequate IT controls over physical IT assets and non-student user account access to the District's network. In addition to sensitive IT control weaknesses that were communicated confidentially to officials, the State Comptroller's office found:

- 235 IT assets costing $108,462 were not recorded in the District's inventory records, and seven computers, two audio systems, one projector and 10 other electronic components that cost $9,266 could not be found.
- No physical access or environmental controls over the server room.
- Improperly managed network user accounts.
- The District's disaster recovery plan was outdated, inadequate and not tested.

Key Recommendations:

- Implement procedures to properly account for physical IT assets throughout the District.
- Establish physical security and environmental controls over the server room.
- Immediately disable unneeded network user accounts and regularly review and update network user accounts for necessity and appropriateness.
- Develop and adopt a written IT contingency plan.

A copy of the complete report can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no other State Comptrollers audits of the District currently in progress or pending release at this time.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0

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

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

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Alexandria	$ 23,265,735	$ 23,382,375	$ 23,607,755	$ 28,944,370	$ 28,366,437
Clayton	55,645,688	55,812,354	55,836,201	89,267,113	88,252,986
LeRay	862,941	871,094	904,894	907,826	1,018,477
Orleans	366,289,266	373,884,672	380,540,210	394,622,435	402,109,516
Pamelia	4,996,308	500,143	496,117	1,745,343	1,754,749
Theresa	9,392,952	9,815,085	9,781,027	9,905,119	10,503,634
Total Assessed Values	$ 460,452,890	$ 464,265,723	$ 471,166,204	$ 525,392,206	$ 532,005,799
State Equalization Rates					
Towns of:					
Alexandria	92.00%	91.00%	83.00%	70.00%	65.00%
Clayton	100.00%	98.00%	84.00%	100.00%	96.00%
LeRay	100.00%	100.00%	100.00%	94.00%	92.50%
Orleans	100.00%	100.00%	94.00%	84.00%	82.00%
Pamelia	57.00%	55.00%	51.00%	100.00%	96.00%
Theresa	100.00%	100.00%	98.00%	87.00%	81.00%
Taxable Full Valuations	$ 466,245,142	$ 468,126,501	$ 511,603,069	$ 614,501,136	$ 641,844,694

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Alexandria	$ 9.87	$ 9.77	$ 10.08	$ 10.21	$ 10.86
Clayton	9.08	9.07	9.96	7.15	7.36
LeRay	9.08	8.89	8.37	7.60	7.63
Orleans	9.08	8.89	8.90	8.51	8.61
Pamelia	15.92	16.16	16.41	7.15	7.36
Theresa	9.08	8.89	8.54	8.21	8.72

Source: District officials.

Tax Collection Procedure

Tax payments for 2024 tax collection are due October 3rd. There is no penalty on collections from September 1st through October 3rd. A 2% penalty is charged from October 4th through October 31st. After October 31st, unpaid tax bills are returned to the County for collection. The School District receives this amount from the County prior to the end of the School District's fiscal year, thereby assuming 100% tax collection annually. Tax sales are held annually by said County.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 4,160,120	$ 4,160,120	$ 4,281,600	$ 4,391,853	$ 4,532,836
Amount Uncollected (1)	230,243	272,337	228,586	245,608	251,548
% Uncollected	5.53%	6.55%	5.34%	5.59%	5.55%

(1) Amount Returned to County at end of collection period. The School District receives 100% of its tax levy each year. See "Tax Collection Procedures".

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the five completed fiscal years as well as the current fiscal years budgeted figures comprised of Real Property Taxes.

Fiscal Year	Total Revenues (1)	Total Real Property Taxes	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 10,662,567	$ 4,125,843	38.69%
2020-2021	10,824,245	4,197,014	38.77
2021-2022	10,864,758	4,175,276	38.43
2022-2023	11,237,722	4,312,139	38.37
2023-2024	11,629,103	4,428,595	38.08
2024-2025 (Budgeted)	11,678,232	4,532,836	38.81
2025-2026 (Budgeted)	11,730,510	4,623,853	39.42

(1) General fund only, does not include inter-fund transfers or reserve funds.

Source: Audited financial statements for the 2019-2020 fiscal year through and including the 2023-2024 fiscal year, and the budgets of the District for the 2024-2025 and 2025-2026 fiscal years.

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

Name	Type	Taxable Assessed Valuation
T.I. Park Corporation [(1)]	Resort Complex	$ 14,755,400
National Grid	Utility	7,448,804
Swan Bay Developers LLC	Commercial	4,122,200
JLB A-Bay LLC	Commercial	3,317,700
National Grid	Utility	2,996,350
Crowley Foods Inc	Manufacturing	2,309,500
Meadow Lane Park Inc	Mfg Housing Park	1,959,500
Snyder, Norman E. Jr.	Estate	1,917,800
Gentile, Alfred T.	Residential	1,638,100
Graystone Events LLC	Cottages	1,500,000

(1) Has a pending tax certiorari claim, with details as follows:

Petitioner Name	Tax Year(s) at issue	School Tax Refund Exposure
Thousand Island Park v. Town of Orleans	2024-25	$77,543.48

The ten larger taxpayers listed above have a total taxable assessed valuation of $41,965,354, which represents 7.89% of the tax base of the School District.

The District routinely receives notices of claims brought against the applicable town, seeking reductions of assessment pursuant to Article 7 of the Real Property Tax Law. Such claims are defended by the attorneys for the town. Such claims, if successful or compromised, may result in refunds of school taxes previously paid to the District, which may be material to the District.

Source: School District tax rolls.

STAR – School Tax Exemption

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

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

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

The table below lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

Town of:	**Enhanced Exemption**	**Basic Exemption**	**Date Certified**
Alexandria	$ 55,970	$ 19,720	4/10/2025
Clayton	82,660	29,600	4/10/2025
LeRay	86,100	30,000	4/10/2025
Orleans	70,600	24,600	4/10/2025
Pamelia	82,660	28,800	4/10/2025
Theresa	69,740	24,300	4/10/2025

$161,606 of the District's $4,532,836 school tax levy for the 2024-2025 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

Approximately $160,000 of the District's $4,623,853 school tax levy for 2025-26 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2026.

Additional Tax Information

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

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-78%, Commercial- 20% and Agricultural-2%.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending:	2020	2021	2022	2023	2024
Bonds [1]	$ 4,685,000	$ 3,893,723	$ 2,960,000	$ 2,010,000	$ 1,040,000
Bond Anticipation Notes	0	0	0	0	0
Energy Performance Contract [2]	513,887	435,413	354,201	270,154	192,817
Other Indebtedness [3]	871	4,469	0	0	0
Total Debt Outstanding	$ 5,199,758	$ 4,333,605	$ 3,314,201	$ 2,280,154	$ 1,232,817

[1] Does not include advance refunded bonds outstanding where applicable.
[2] Energy performance contracts do not constitute debt for Local Finance Law purposes; however, they are included for purposes of calculating the debt limit of the District. See note "[3]" also.
[3] In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with the recognition of inflows and outflows of resources, as applicable.

Note: Apart from as noted above, the figures above do not include any capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 19, 2025:

Type of Indebtedness	Maturity	Amount
Bonds	2025-2026	$ 25,000
Bond Anticipation Notes		
Capital Improvements	July 11, 2025	8,000,000 [1]
	Total Indebtedness	$ 8,025,000

[1] To be renewed in full at maturity with the proceeds of the Notes.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 19, 2025:

Full Valuation of Taxable Real Property			$ 641,844,694
Debt Limit 10% thereof			64,184,469
Inclusions:			
Bonds	$ 25,000		
Bond Anticipation Notes (BANs):	8,000,000		
Total Inclusions prior to issuance of the Notes	8,025,000		
Less: BANs being redeemed from appropriations	-		
Add: New money proceeds of the Notes	1,400,000		
Total Net Inclusions after issuance of the Notes		$ 9,425,000	
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 9,425,000
Net Debt-Contracting Margin			$ 54,759,469
The percent of debt contracting power exhausted is			14.68%

(1) Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 72.6% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Capital Project Plans

On December 13, 2022, District voters approved a 10,300,000 proposition for a capital improvement project and the issuance of $9,400,000 serial bonds and notes, and use of $900,000 capital reserve monies to finance such project. On July 11, 2024 the District issued $8,000,000 bond anticipation notes to provided new monies as the first borrowing for the aforementioned project. The Notes are being issued to renew in full the bond anticipation notes maturing July 11, 2025 and provide $1,400,000 new monies for the aforementioned project. After the issuance of the Notes, the entire authorization will be borrowed.

There are no other capital projects authorized or contemplated at this time.

Cash Flow Borrowings

The District has not issued Tax or Revenue Anticipation Notes for the last five fiscal years. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

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

Municipality	Status of Debt as of		Gross Indebtedness [(1)]	Exclusions [(2)]		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Jefferson	6/28/2024	(3)	$ 13,900,000	$ 610,000		$ 13,290,000	5.62%	$ 746,898
Town of:								
Alexandria	12/31/2023	(4)	3,810,523	-	(5)	3,810,523	3.78%	144,038
Clayton	12/31/2023	(4)	5,387,642	-	(5)	5,387,642	7.41%	399,224
LeRay	12/31/2023	(4)	10,388,857	-	(5)	10,388,857	0.15%	15,583
Orleans	12/31/2022	(4)	11,425,428	-	(5)	11,425,428	85.58%	9,777,881
Pamelia	5/15/2025	(3)	16,670,865	16,374,845		296,020	0.30%	888
Theresa	12/31/2023	(4)	-	-	(5)	-	3.91%	-
Fire District of:								
Orleans	5/31/2023	(4)	1,432,782	-	(5)	1,432,782	100.00%	1,432,782
							Total:	$ 12,517,295

(1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

(2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

(3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

(4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 19, 2025:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)] ....$	9,425,000	$ 2,876.98	1.47%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]...........	21,942,295	6,697.89	3.42

(a) The current estimated population of the District is 3,276. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is $641,844,694. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary".

(d) Estimated net overlapping indebtedness is $12,517,295. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

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

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

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

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

LEGAL MATTERS

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

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

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School 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 School District.

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

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

The District does not currently have any general obligation serial bonds directly rated by Moody's Investors Service, Inc or Standard & Poor's Credit Market Services.

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 Notes.

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Ms. Nicole Parliament, Business Manager, 1 District Offices, P.O. Box 138, LaFargeville, New York 13656, telephone (315) 658-2241 x 16, fax (315) 658-4223, email: nparliament@lafargevillecsd.org.

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

LAFARGEVILLE CENTRAL SCHOOL DISTRICT

Dated: June 19, 2025

Matthew Duffany, President
Board of Education
LaFargeville Central School District

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 598,955	$ 976,007	$ 1,140,440	$ 1,232,142	$ 1,201,956
Restricted Cash	3,234,339	3,875,258	4,439,101	4,368,324	4,973,583
State and Federal Aid Receivable	181,968	224,137	149,453	124,901	141,842
Due from Other Governments	370,611	218,652	264,301	183,078	196,901
Accounts Receivable	-	79,444	95,523	27,941	18,497
Due from Other Funds	682,130	190,378	133,710	325,464	531,910
Due from Fiduciary Funds	14,414	-	-	-	-
Other Receivables	47,872	-	-	-	-
TOTAL ASSETS	$ 5,130,289	$ 5,563,876	$ 6,222,528	$ 6,261,850	$ 7,064,689
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 521	$ 925	$ 935	$ -	$ 2,199
Accrued Liabilities	27,650	64,648	43,022	63,629	80,180
Due to Other Funds	3,973	-	3,380	65,682	95,534
Due to Fiduciary Funds	14,631	-	-	-	-
Due to Teachers' Retirement System	325,979	347,381	390,607	406,283	397,281
Due to Employees' Retirement System	34,101	40,223	32,896	37,873	50,522
Deferred State Aid	81,939	-	-	-	-
Compensated Absences	20,808	11,333	12,000	8,972	10,626
TOTAL LIABILITIES	509,602	464,510	482,840	582,439	636,342
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	3,234,339	3,875,258	4,439,101	4,368,324	4,973,583
Assigned	987,453	753,172	823,467	820,848	945,308
Unassigned	398,895	470,936	477,120	490,239	509,456
TOTAL FUND EQUITY	4,620,687	5,099,366	5,739,688	5,679,411	6,428,347
TOTAL LIABILITIES and FUND EQUITY	$ 5,130,289	$ 5,563,876	$ 6,222,528	$ 6,261,850	$ 7,064,689

Source: Audited Financial Statements 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 & Tax Items	$ 4,030,026	$ 4,125,843	$ 4,197,014	$ 4,175,276	$ 4,312,139
Charges for Services	7,844	5,301	14,677	2,691	264
Use of Money & Property	12,545	15,300	3,054	5,036	55,431
Sale of Property and Compensation for Loss	9,320	7,234	12,536	30,270	11,844
Miscellaneous	143,604	145,391	112,560	79,053	150,340
Revenues from State Sources	6,159,326	6,333,609	6,336,906	6,572,432	6,660,893
Revenues from Federal Sources	49,738	29,889	147,498	-	46,811
Total Revenues	$ 10,412,403	$ 10,662,567	$ 10,824,245	$ 10,864,758	$ 11,237,722
Other Sources:					
Interfund Transfers (in)	-	-	-	-	-
Total Revenues and Other Sources	10,412,403	10,662,567	10,824,245	10,864,758	11,237,722
EXPENDITURES					
General Support	$ 1,177,802	$ 1,460,926	$ 1,388,408	$ 1,246,669	$ 1,328,713
Instruction	4,578,177	4,774,855	4,674,107	4,733,311	4,654,972
Pupil Transportation	543,584	567,250	491,204	584,923	678,517
Community Service	-	-	-	-	-
Employee Benefits	2,418,238	2,478,422	2,465,604	2,444,829	2,539,246
Debt Service	1,270,991	1,246,727	1,230,230	1,211,937	1,189,196
Total Expenditures	$ 9,988,792	$ 10,528,180	$ 10,249,553	$ 10,221,669	$ 10,390,644
Other Uses:					
Interfund Transfers (out)	114,099	79,577	96,013	2,767	907,355
Total Expenditures and Other Uses	10,102,891	10,607,757	10,345,566	10,224,436	11,297,999
Excess (Deficit) Revenues Over Expenditures	309,512	54,810	478,679	640,322	(60,277)
FUND BALANCE					
Fund Balance - Beginning of Year	4,256,365	4,565,877	4,620,687	5,099,366	5,739,688
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 4,565,877	$ 4,620,687	$ 5,099,366	$ 5,739,688	$ 5,679,411

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024			2025	2026
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes & Tax Items	$ 4,419,353	$ 4,419,353	$ 4,428,595	$ 4,532,836	$ 4,623,853
Charges for Services	-	-	22,886	-	-
Use of Money & Property	25,500	25,500	110,874	30,000	130,000
Sale of Property and Compensation for Loss	7,500	7,500	3,347	80,000	-
Miscellaneous	166,156	166,156	178,839	167,562	177,371
Revenues from State Sources	6,819,922	6,819,922	6,835,008	6,862,834	6,784,286
Federal Sources and Medicaid Reimbursement	5,000	5,000	49,554	5,000	15,000
Total Revenues	$ 11,443,431	$ 11,443,431	$ 11,629,103	$ 11,678,232	$ 11,730,510
Other Sources:					
Reserves	$ 175,000	$ 175,000	$ -	$ 190,000	$ 200,000
Prior Year's surplus	725,000	725,000	-	-	-
Prior Year's encumbrances	95,847	95,847	-	-	-
Available Funds	-	-	-	875,000	876,231
Total Revenues and Other Sources	12,439,278	12,439,278	11,629,103	12,743,232	12,806,741
EXPENDITURES					
General Support	$ 1,525,675	$ 1,524,082	$ 1,284,700	$ 1,539,485	$ 1,593,938
Instruction	5,752,110	5,753,703	5,086,703	5,998,328	5,982,511
Pupil Transportation	981,112	981,112	798,948	1,007,563	1,041,804
Community Service	284	284	284	-	-
Employee Benefits	3,007,993	3,004,399	2,535,644	3,024,097	3,147,953
Debt Service	1,163,604	1,163,604	1,163,602	1,173,759	1,040,535
Total Expenditures	$ 12,430,778	$ 12,427,184	$ 10,869,881	$ 12,743,232	$ 12,806,741
Other Uses:					
Interfund Transfers	8,500	12,094	10,286	-	-
Total Expenditures and Other Uses	12,439,278	12,439,278	10,880,167	12,743,232	12,806,741
Excess (Deficit) Revenues Over Expenditures	-	-	748,936	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	5,679,411	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 6,428,347	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 1,015,000	$ 49,850	$ 1,064,850
2026	25,000	125	25,125
TOTALS	$ 1,040,000	$ 49,975	$ 1,089,975

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

APPENDIX - B1
LaFargeville CSD

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2020 Buses			2017F DASNY Refunding of 2011A Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 25,000	$ 350	$ 25,350	$ 990,000	$ 49,500	$ 1,039,500
2026	25,000	125	25,125	-	-	-
TOTALS	$ 50,000	$ 475	$ 50,475	$ 990,000	$ 49,500	$ 1,039,500

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 securities, unscheduled draws on credit enhancements reflecting financial difficulties

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect security 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 has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the material event notices described above, if any, on or before the date specified.

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

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

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

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LAFARGEVILLE CENTRAL SCHOOL DISTRICT
JEFFERSON COUNTY, 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 Official Statement.

LaFargeville Central School District
Financial Statements with
Independent Auditors' Report
June 30, 2024

LaFargeville Central School District
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STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Robert F. Stackel, C.P.A.
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Independent Auditors' Report

Board of Education
LaFargeville Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the LaFargeville Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 LaFargeville Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress - other post-employment benefits plan – last 7 fiscal years, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, the schedules of District contributions – NYSTRS & NYSERS pension plans – last 10 fiscal years, and the schedules of District's proportionate share of the net pension liability – NYSTRS & NYSERS pension plans – last 10 fiscal years on pages 5-18 and 60-63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise LaFargeville Central School District's basic financial statements. The accompanying schedule of change from adopted budget to final budget and the real property tax limit – general fund, schedule of project expenditures – capital projects fund, net investment in capital assets and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of change from adopted budget to final budget and the real property tax limit – general fund, schedule of project expenditures – capital projects fund, net investment in capital assets and schedule expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Stackel & Navarra, C.P.A., P.C.
Certified Public Accountants

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, on our consideration of LaFargeville Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LaFargeville Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LaFargeville Central School's internal control over financial reporting and compliance.

Watertown, NY
September 25, 2024

The following is a discussion and analysis of LaFargeville Central School District's financial performance for the fiscal year ended June 30, 2024. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section. Responsibility for completeness and fairness of the information contained rests with the School District.

SCHOOL DISTRICT OVERVIEW

LaFargeville Central School District (the "School District") is located in the northern portion of upstate New York and is comprised of approximately 98 square miles in the northern sector of Jefferson County. The District is comprised of portions of the Towns of Alexandria, Clayton, LeRay, Orleans, Pamelia and Theresa, with the largest component being the Town of Orleans.

The School District's mission is to serve as the center of education for all community members, providing each student the opportunity to achieve their potential. The LaFargeville Central School Board of Education will achieve its mission in keeping with their beliefs to be fiscally responsible to the taxpayers, while continuing to upgrade the physical plant and assets; keeping energy efficiency and the highest quality programming in mind. The following financial highlights are the School District's attempt at completing this mission.

FINANCIAL HIGHLIGHTS

For the year ending June 30, 2024 total revenues of $13,264,967 were $1,200,012 more than $12,064,955 in reported expenditures. This change in net position of $1,200,012 was added to the net position deficit beginning of the year balance of $13,823,824 for an ending net position deficit of $12,623,812.

The School District's portion of Unrestricted Net Position designated to reduce real estate taxes in 2024-2025 is $875,000. The General Fund Unassigned Fund Balance is $509,456 or 4.00% of the 2024-2025 budget.

The total property assessment for the School District in the 2023-2024 school year was $525,392,206. The true value tax rate for 2023-2024 was $7.15 per thousand of assessment.

The School District employs about 100 full and part time employees. The two unions, (Teacher's Union and Support Related Personnel) utilize collective bargaining agreements. The Teacher's Association has an agreement in place until June 30, 2027. The CSEA has an agreement in place until June 30, 2026.

K-12 enrollment for the 2023-2024 school year was 462, a decrease of 9 students over the 2022-2023 year. Projections for 2024-2025 show K-12 enrollment declining to 435.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements are 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 more detail than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.

The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others.

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

The following summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements

Table A-1	Major Features of the District-Wide and Fund Financial Statement		
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities' monies
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures, and Changes in Fund Balance	5. Statement of Fiduciary Net Position 6. Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow / Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

The two district-wide statements report the School District's net position and how it has changed. Net position - the difference between the School District's assets, deferred outflows of resources, liabilities and deferred inflows of 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, you need to consider additional non-financial 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:

- Some funds are required by State law and by bond covenants.

- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

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

2. **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and 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 the assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows exceeded assets and deferred outflows by $13,823,824 at the close of the most recent fiscal year. This represents a $3,958,463 increase in the statement of net position for the year. The overall deficit is largely due to the District's other postemployment benefit ("OPEB") liability. The School District's net position also reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The School District used capital assets to provide services; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

CONDENSED STATEMENT OF NET POSITION

	6/30/2023	6/30/2024	Variance
Assets			
Current and Other Assets	$ 7,404,309	$ 7,710,844	$ 306,535
Captial Assets, Net	14,265,224	14,563,178	297,954
Right-to-use assets, net	88,639	78,590	(10,049)
Net Pension Asset - Proportionate Share	-	-	-
Total Assets	$ 21,758,172	$ 22,352,612	$ 594,440
Deferred Outflows of Resources	$ 9,361,480	$ 7,496,545	$ (1,864,935)
Liabilities			
Current Liabilities and Other Liabilities	$ 1,698,715	$ 1,799,762	$ 101,047
Long-Term Liabilities	31,483,219	29,670,894	(1,812,325)
Net Pension Liability - Proportionate Share	1,195,841	770,498	(425,343)
Total Liabilities	$ 34,377,775	$ 32,241,154	$ (2,136,621)
Deferred Inflows of Resources	$ 10,565,701	$ 10,231,815	$ (333,886)
Net Position			
Net Investment in Capital Assets	$ 11,865,148	$ 13,271,478	$ 1,406,330
Restricted	4,370,725	5,134,416	763,691
Unrestricted (Deficit)	(30,059,697)	(31,029,706)	(970,009)
Total Net Position	$(13,823,824)	$(12,623,812)	$ 1,200,012

In general, current assets are those assets that are available to satisfy current obligations and current liabilities and those liabilities that will be paid within one year. Current assets consist primarily of cash equivalents of $6,833,061 and state, federal and BOCES aid receivable of $825,512. Inventories account for $14,662 and the remaining $37,609 consists of accounts receivable and prepaid items. Current liabilities consist of accrued expenses totaling $613,633 and the current portion of long-term debt totaling $1,186,129.

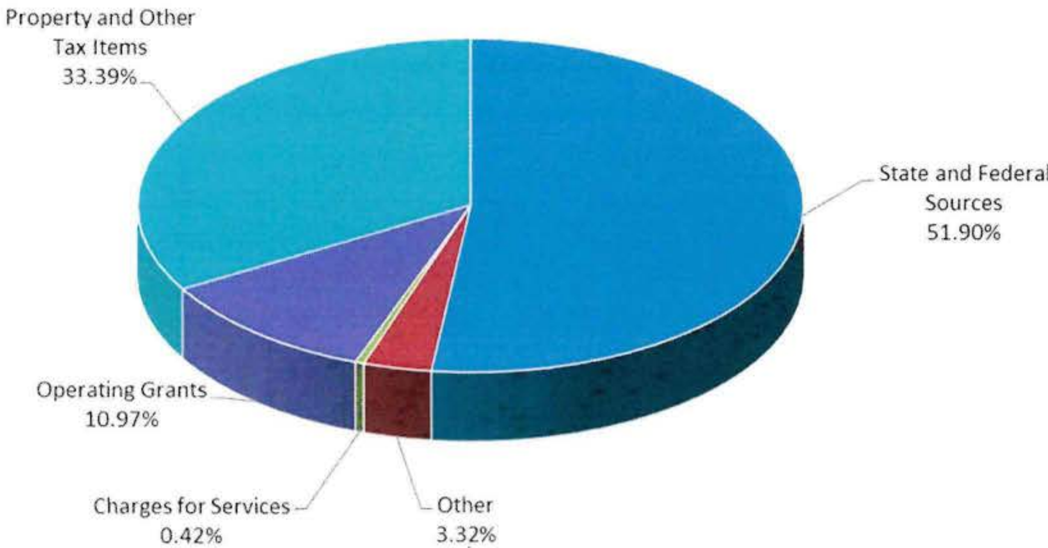
The Statement of Activities shows the cost of program services net of charges for services and grants offsetting those services. General revenues including tax revenue, investment earnings and unrestricted state and federal aid must support the net cost of the School District's programs.

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

CONDENSED STATEMENT OF ACTIVITIES

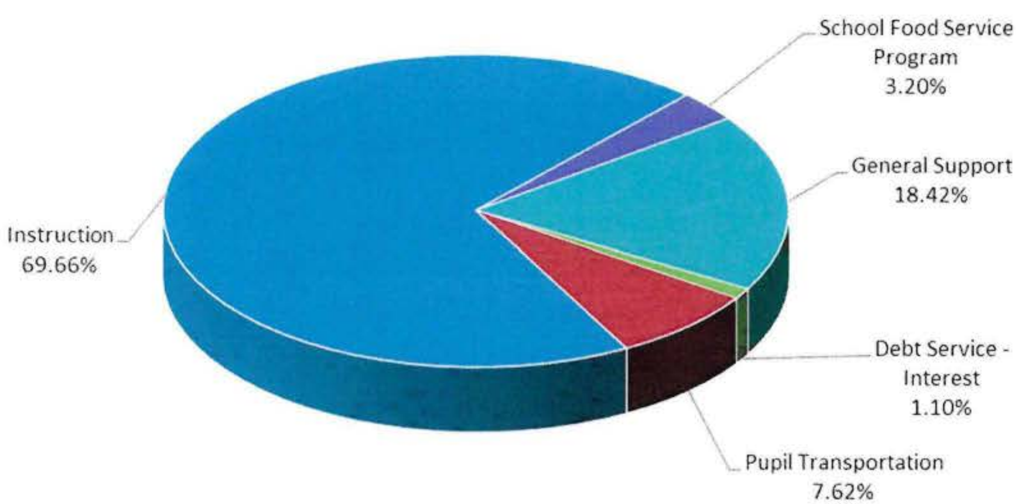
	6/30/2023	6/30/2024	Variance
Revenues			
Program Revenues			
Charges for Services	$ 61,534	$ 56,346	$ (5,188)
Operating Grants	1,545,951	1,454,700	(91,251)
General Revenues			
Property and Other Tax Items	4,312,139	4,428,595	116,456
Use of Money and Property	55,651	112,179	56,528
Sale of Property and Compensation for Loss	12,125	3,347	(8,778)
Miscellaneous	292,179	325,238	33,059
Federal Sources	46,811	49,554	2,743
State Sources	6,660,893	6,835,008	174,115
Total Revenues	12,987,283	13,264,967	277,684
Expenses			
General Support	1,662,887	2,079,350	416,463
Instruction	6,289,895	8,787,925	2,498,030
Pupil Transportation	687,891	787,754	99,863
Community Service	-	4,284	4,284
Debt Service	99,333	50,908	(48,425)
School Food Service - Cost of Food Sales	288,814	354,734	65,920
Total Expenses	9,028,820	12,064,955	3,036,135
Change in Net Position	$ 3,958,463	$ 1,200,012	$ (2,758,451)

Sources of Revenues for Year Ending June 30, 2024



The School District is heavily dependent on both state and federal aid for its funding. State and Federal Grants and State and Federal General Revenues combined account for approximately 64% of total revenues. General Tax Revenues account for approximately 33% of revenues received for the year. These two areas make up for 97% of the total revenues received in the 2023-2024 school year.

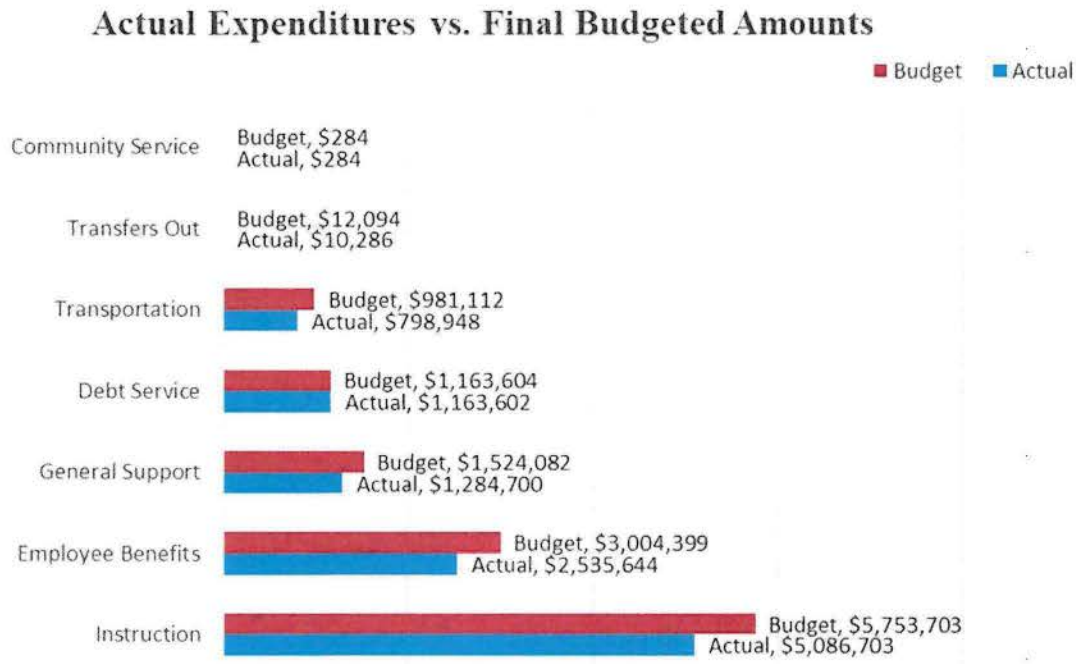
Expenses for Year Ending June 30, 2024



Instruction, transportation, and general support account for approximately 96% of the total expenses of the School District.

GENERAL FUND BUDGETARY HIGHLIGHTS

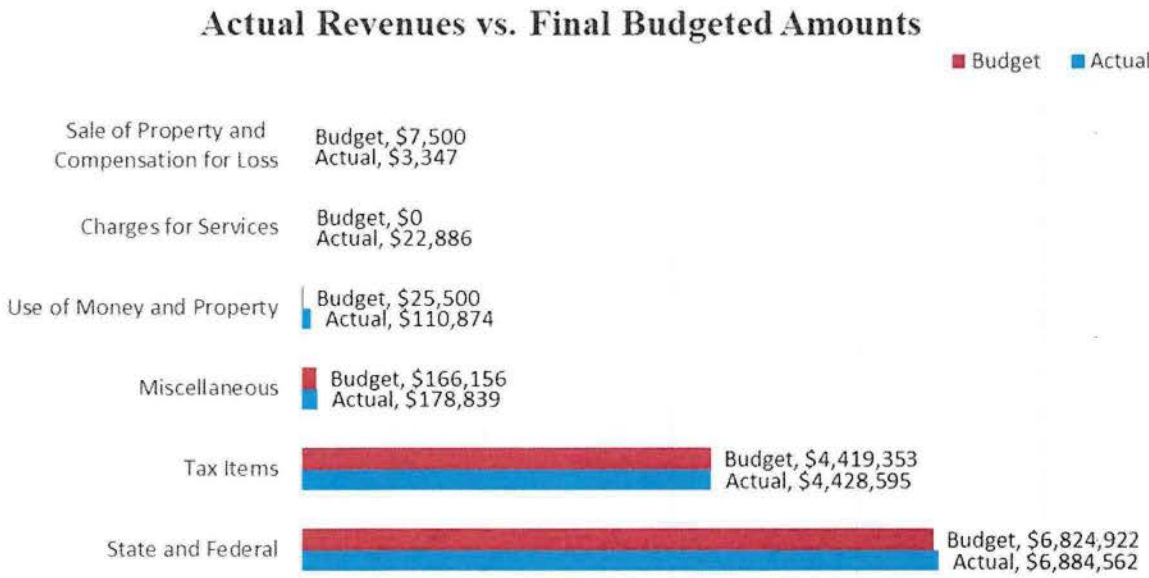
The School District's total budget increase for 2023-2024 was $304,483 or a 2.53% increase from the prior year budget. The School District's budget of $12,343,431 for 2023-2024 was approved by referendum on May 16, 2023 by residents that voted. The School District's adjusted budget for the 2023-2024 school year was $12,439,278. The adjusted budget includes $95,847 of encumbrances carried over from the prior year. Actual expenditures for 2023-2024 totaled $10,880,167, which includes debt service of $1,163,602. The School District under-expended its budget by $1,488,803 (net of encumbrances of $70,308). The graph below shows, in general terms, how the actual expenditures are distributed and compared to final budgeted appropriations:



When constructing the budget, the number of special education students is uncertain as the enrollment is continually fluctuating, therefore for budgetary control, it is the District's custom to overestimate expenditures to maintain a favorable variance to be utilized in appropriating fund balance. Unspent appropriations provide cash flow at year-end when state aid is uncertain. Without this balance, the School District would have to borrow funds at year-end to meet its obligations. The School District appropriated $725,000 of the fund balance to reduce taxes for the year ending June 30, 2024, and has increased the appropriation to $875,000 for 2024-2025.

All functional budget codes were under-expended again this year. The District continues to be cautious for potential mid-year State Aid cuts and delayed payments.

The School District's general fund receives its funding from many sources. The graph below depicts the actual revenues relative to the final budgeted revenues.



Revenues from Local, State and Federal Sources amounted to $185,672 more than final budget figures. State and Federal aid received was $59,640 more than budgeted.

ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

General Fund

General Funds are used to operate the schools daily educational and transportation programs and maintain the buildings and grounds of the facility for continued use. This is the only fund that relies on real property taxes for a portion of funding. Actual property taxes paid (less STAR Reimbursement) amounts to 36.2% of total General Fund revenues.

General Fund – Continued

As of the close of the fiscal year, the District has fund balances of $6,428,347, an increase of $748,936 in comparison with the prior year.

Special Aid Fund

The School District receives State and Federal grants which fund specific academic activities. These grants are written for specific purposes and include class size reduction, staff development and needs related to students with disabilities.

It is important to note that most of these grants have a fiscal year which runs from September 1 to August 31, which differs from the school fiscal year of July 1 to June 30.

The listing below shows the grant amounts recorded in the Special Aid Fund:

	6/30/2023	6/30/2024
UPK	$ 77,943	$ 56,118
Transfer from General Fund	5,591	9,594
Title IV	12,436	12,523
Title II, Part A	18,651	20,790
Tktle I ESEA - Basic Grant	157,819	175,173
Summer School	22,137	29,012
REAP	29,729	36,439
IDEA Section 619	2,991	2,596
IDEA Section 611	132,942	138,813
Health Care Worker Bonus Program	2,153	-
ESSER3	305,234	414,584
ESSER2	211,192	-
ARP Summer Learning & Enrichment	49,111	9,457
ARP Lost Instructional Time	197,014	110,846
ARP IDEA Section 619	2,494	-
ARP IDEA Section 611	26,856	-
ARP Homeless Children & Youth	2,602	-
ARP Comprehensive After School	33,720	66,282
Total Special Aid Funds	1,290,615	1,082,227

School Food Service Fund

The School Food Service Program is funded through State and Federal Aid and the sale of lunch and breakfast items. The School Food Service Program showed a gain of $864 for the year ending June 30, 2023, and a gain of $70,134 for the year ending June 30, 2024. The District received approval to participate in the Community Eligibility Provision for the 2023-2024 school year. Students received meals at no charge and will continue to receive free meals for the 2024-2025 school year.

Capital Assets

- Land is valued at acquisition cost and the School District only has property with structures on or adjacent to it.
- Building & Improvements have various dates of construction from 1928 to 2010.
- Furniture & Equipment are recorded for the entire School District and include vehicles and school buses.
- A fixed asset policy was established by the School Board on July 14, 2008 to capitalize fixed assets of at least $5,000 and building improvements of $10,000.
- The net Capital Assets after depreciation are $14,563,178 at June 30, 2024.

	Balance June 30, 2023	2024 Additions	2024 Retirements/ Reclassifications	Balance June 30,2024
Capital Assets That Are Not Depreciated:				
Construction in Progress	$ 190,790	$ 574,364	$ -	$ 765,154
Total Nondepreciable Assets	190,790	574,364	-	765,154
Capital Assets Depreciated:				
Buildings and Improvements	20,833,678	-	-	20,833,678
Furniture and Equipment	2,862,625	309,028	-	3,171,653
Total Depreciated Assets	23,696,303	309,028	-	24,005,331
Less Accumulated Depreciation:				
Buildings and Improvements	(7,569,969)	(416,674)	-	(7,986,643)
Furniture and Equipment	(2,051,900)	(168,764)	-	(2,051,900)
Total Accumulated Depreciation	(9,621,869)	(585,438)	-	(10,207,307)
Total Depreciated Assets, Net	14,074,434	(276,410)	-	13,798,024
Capital Assets, Net	$ 14,265,224	$ 297,954	$ -	$ 14,563,178

Long-Term Debt

The School District has bonds outstanding that were issued in June of 2011 for a capital project which included the addition of a new gymnasium, seven new classrooms and the renovation of the existing gym into an auditorium. In October 2017, the School District issued $3,720,000 of general obligation refunding bonds to advance refund a portion of the 2011 Serial Bonds.

Other long-term debt includes installment purchase debt related to an energy performance contract dated September 24, 2010.

Transportation related debt is shown in the chart below.

Term	Type	Amount	Issued	Financed
Five Year	Serial Bond	$ 118,723	September 2020	One Bus

The Long-Term Debt is broken down by current (within one year) and long term (after one year). At June 30, 2024 the School District had the following breakdown of debt.

Due and Payable Within One Year	$ 1,186,129
Due and Payable After One Year	145,193
Total Long Term Debt	$ 1,331,322

The last rating action from Moody's Investors Service, Inc. with respect to LaFargeville Central School District was on May 17, 2010 when the District's A2 rating was affirmed. The District's total outstanding indebtedness currently does not exceed its debt limit.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time, these financial statements were prepared and audited, the District was unaware of any existing litigation that could significantly affect its financial health in the future.

The District is continually attentive to the financial uncertainties at both the national and state level. As most of our revenues are procured through state aid, we also remain mindful of the possible implementation of state aid reform. The District's ability to raise revenue is further complicated in dealing with the property tax levy cap. These components will play a significant role in future budgets. Through conservative budgeting and careful planning, we strive to achieve financial stability in fulfilling our mission.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

LaFargeville Central School District
PO Box 138
LaFargeville, New York, 13656

LaFargeville Central School District
Statement of Net Position
Governmental Activities
June 30, 2024

Assets		
Cash		
Unrestricted	$ 1,699,145	
Restricted	5,133,916	
Receivables		
State and federal aid	628,611	
Due from other governments	196,901	
Other	19,244	
Inventories	14,662	
Prepaid items	18,365	
Capital assets, net	14,563,178	
Right-to-use assets, net	78,590	
Total Assets		$ 22,352,612
Deferred Outflows of Resources		
Deferred charges on bond refunding	$ 39,622	
Other postemployment benefits	5,120,511	
Pensions	2,336,412	
Total Deferred Outflows of Resources		$ 7,496,545
Liabilities		
Payables		
Accounts payable	$ 64,651	
Accrued liabilities	83,457	
Accrued interest on bonds payable	7,045	
Due to other governments	51	
Due to teachers' retirement system	397,281	
Due to employees' retirement system	50,522	
Compensated absences payable	10,626	
Long-term liabilities		
Due and payable within one year		
Bonds payable, net of unamortized premium	1,096,114	
Installment purchase debt payable	90,015	
Due and payable after one year		
Bonds payable, net of unamortized premium	52,035	
Installment purchase debt payable	93,158	
Compensated absences payable	115,278	
Other postemployment benefits payable	29,410,423	
Net pension liability - proportionate share	770,498	
Total Liabilities		$ 32,241,154

See Notes to Financial Statements.

LaFargeville Central School District
Statement of Net Position
Governmental Activities
June 30, 2024

Deferred Inflows of Resources		
Other postemployment benefits	$ 9,801,393	
Pensions	430,422	
Total Deferred Inflows of Resources		$ 10,231,815
Net Position		
Net investment in capital assets	$ 13,271,478	
Restricted for:		
Capital	3,334,291	
Other legal restrictions	1,800,125	
Unrestricted (deficit)	(31,029,706)	
Total Net Position		$ (12,623,812)

Lafargeville Central School District
Statement of Activities and Changes in Net Position
Governmental Activities
For the Year Ended June 30, 2024

Statement #2

		Program Revenues		
	Expenses	Charges for Services	Operating Grants	Net (Expense) Revenues and Changes in Net Position
Functions/Programs				
General support	$ 2,079,350	$ -	$ -	$ (2,079,350)
Instruction	8,787,925	22,886	1,068,633	(7,696,406)
Pupil transportation	787,754	-	-	(787,754)
Community service	4,284	-	4,000	(284)
Debt service - interest	50,908	-	-	(50,908)
School lunch program	354,734	33,460	382,067	60,793
Total Functions and Programs	$ 12,064,955	$ 56,346	$ 1,454,700	(10,553,909)
General Revenues				
Real property taxes				4,209,102
Other tax items				219,493
Use of money and property				112,179
Sale of property and compensation for loss				3,347
Miscellaneous				325,238
State sources				6,835,008
Federal sources				33,139
Medicaid reimbursement				16,415
Total General Revenues				11,753,921
Change in Net Position				1,200,012
Total Net Position - Beginning of year				(13,823,824)
Total Net Position - End of year				$ (12,623,812)

LaFargeville Central School District
Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Aid	School Lunch	Capital	Miscellaneous Special Revenue	Total Governmental Funds
Assets						
Cash						
Unrestricted	$ 1,201,956	$ 1,091	$ 317,165	$ 178,933	$ -	$ 1,699,145
Restricted	4,973,583	-	-	-	160,333	5,133,916
Receivables						
Accounts receivable	18,497	-	747	-	-	19,244
Due from other funds	531,910	67,966	27,568	-	-	627,444
State and federal aid	141,842	465,114	21,655	-	-	628,611
Due from other governments	196,901	-	-	-	-	196,901
Inventories	-	-	14,662	-	-	14,662
Prepaid items	-	-	-	18,365	-	18,365
Total Assets	$ 7,064,689	$ 534,171	$ 381,797	$ 197,298	$ 160,333	$ 8,338,288
Liabilities						
Payables						
Accounts payable	$ 2,199	$ -	$ -	$ 62,452	$ -	$ 64,651
Accrued liabilities	80,180	2,261	1,016	-	-	83,457
Due to other funds	95,534	531,910	-	-	-	627,444
Due to other governments	-	-	51	-	-	51
Due to teachers' retirement system	397,281	-	-	-	-	397,281
Due to employees' retirement system	50,522	-	-	-	-	50,522
Compensated absences	10,626	-	-	-	-	10,626
Total Liabilities	636,342	534,171	1,067	62,452	-	1,234,032
Fund Balances						
Nonspendable	-	-	14,662	18,365	-	33,027
Restricted	4,973,583	-	500	-	160,333	5,134,416
Assigned	945,308	-	365,568	116,481	-	1,427,357
Unassigned	509,456	-	-	-	-	509,456
Total Fund Balances	6,428,347	-	380,730	134,846	160,333	7,104,256
Total Liabilities and Fund Balances and Deferred Inflows of Resources	$ 7,064,689	$ 534,171	$ 381,797	$ 197,298	$ 160,333	$ 8,338,288

LaFargeville Central School District
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2024

	Total Governmental Funds	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Assets				
Cash				
Unrestricted	$ 1,699,145	$ -	$ -	$ 1,699,145
Restricted	5,133,916	-	-	5,133,916
Receivables				
Due from other funds	627,444	-	(627,444)	-
State and federal aid	628,611	-	-	628,611
Due from other governments	196,901	-	-	196,901
Other	19,244	-	-	19,244
Inventories	14,662	-	-	14,662
Prepaid items	18,365	-	-	18,365
Land, buildings and equip. (net)	-	14,563,178	-	14,563,178
Right-to-use assets (net)	-	78,590	-	78,590
Total Assets	$ 8,338,288	$ 14,641,768	$ (627,444)	$ 22,352,612
Deferred Outflows of Resources				
Deferred charges on bond refunding	$ -	$ 39,622	$ -	$ 39,622
Other postemployment benefits	-	5,120,511	-	5,120,511
Pensions	-	2,336,412	-	2,336,412
Total Deferred Outflows of Resources	$ -	$ 7,496,545	$ -	$ 7,496,545
Liabilities				
Payables				
Accounts payable	$ 64,651	$ -	$ -	$ 64,651
Accrued liabilities	83,457	-	-	83,457
Accrued interest on bonds payable	-	7,045	-	7,045
Due to other funds	627,444	-	(627,444)	-
Due to other governments	51	-	-	51
Due to teachers' retirement system	397,281	-	-	397,281
Due to employees' retirement system	50,522	-	-	50,522
Compensated absences payable	10,626	-	-	10,626
Long-term liabilities				
Due and payable within one year				
Bonds payable, net of unamortized premium	-	1,096,114	-	1,096,114
Installment purchase debt payable	-	90,015	-	90,015
Due and payable after one year				
Bonds payable, net of unamortized premium	-	52,035	-	52,035
Installment purchase debt payable	-	93,158	-	93,158
Compensated absences payable	-	115,278	-	115,278
Other postemployment benefits payable	-	29,410,423	-	29,410,423
Net pension liability - proportionate share	-	770,498	-	770,498
Total Liabilities	$ 1,234,032	$ 31,634,566	$ (627,444)	$ 32,241,154

See Notes to Financial Statements.

LaFargeville Central School District
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2024

Statement #3A

	Total Governmental Funds	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Deferred Inflows of Resources				
Other postemployment benefits	$ -	$ 9,801,393	$ -	$ 9,801,393
Pensions	-	430,422	-	430,422
Total Deferred Inflows of Resources	$ -	$ 10,231,815	$ -	$ 10,231,815
Total Fund Balance/Net Position				
Total Fund Balances / Net Position	$ 7,104,256	$ (19,728,068)	$ -	$ (12,623,812)
Total Liabilities, Deferred Inflows of Resources and Fund Balances / Net Position	$ 8,338,288	$ 22,138,313	$ (627,444)	$ 29,849,157

See Notes to Financial Statements.

LaFargeville Central School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024

	General	Special Aid	School Lunch	Capital	Miscellaneous Special Revenue	Total Governmental Funds
Revenues						
Real property taxes	$ 4,209,102	$ -	$ -	$ -	$ -	$ 4,209,102
Other tax items	219,493	-	-	-	-	219,493
Charges for services	22,886	-	-	-	-	22,886
Use of money and property	110,874	-	-	-	1,305	112,179
Sale of property and compensation for loss	3,347	-	-	-	-	3,347
Miscellaneous	178,839	-	-	-	146,399	325,238
State sources	6,835,008	85,130	61,876	-	-	6,982,014
Medicaid reimbursement	16,415	-	-	-	-	16,415
Federal sources	33,139	987,503	303,159	-	-	1,323,801
Surplus food	-	-	17,032	-	-	17,032
Sales - school lunch	-	-	33,460	-	-	33,460
Total Revenues	$ 11,629,103	$ 1,072,633	$ 415,527	$ -	$ 147,704	$ 13,264,967
Expenditures						
General support	$ 1,284,700	$ 171,134	$ 111,050	$ -	$ 143,206	$ 1,710,090
Instruction	5,086,703	759,134	-	-	-	5,845,837
Pupil transportation	798,948	5,452	-	-	-	804,400
Community service	284	4,000	-	-	-	4,284
Employee benefits	2,535,644	142,507	24,351	-	-	2,702,502
Debt service						
Principal	1,056,980	-	-	-	-	1,056,980
Interest	106,622	-	-	-	-	106,622
Cost of sales	-	-	210,684	-	-	210,684
Capital outlay	-	-	-	574,364	-	574,364
Total Expenditures	$ 10,869,881	$ 1,082,227	$ 346,085	$ 574,364	$ 143,206	$ 13,015,763
Excess (Deficiency) of Revenues Over Expenditures	$ 759,222	$ (9,594)	$ 69,442	$ (574,364)	$ 4,498	$ 249,204
Other Financing Sources and Uses						
Operating transfers in	$ -	$ 9,594	$ 692	$ -	$ -	$ 10,286
Operating transfers (out)	(10,286)	-	-	-	-	(10,286)
Total Other Financing Sources (Uses)	$ (10,286)	$ 9,594	$ 692	$ -	$ -	$ -
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Sources (Uses)	$ 748,936	$ -	$ 70,134	$ (574,364)	$ 4,498	$ 249,204
Fund Balance - Beginning of year	5,679,411	-	310,596	709,210	155,835	6,855,052
Fund Balance - End of year	$ 6,428,347	$ -	$ 380,730	$ 134,846	$ 160,333	$ 7,104,256

See Notes to Financial Statements.

LaFargeville Central School District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities
For the Year Ended June 30, 2024

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

Net Change in Fund Balances - Total Governmental Funds		$ 249,204
Capital Related Items		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlays	$ 883,392	
Depreciation expense	(585,438)	297,954
Governmental funds report capital outlays under a right to use agreement for a period of time as expenditures. However, in the statement of activities, right to use assets are reported separately at cost, net of amortization over the period of use of the assets.		
Right to use asset	$ 18,374	
Amortization expense	(28,423)	(10,049)
Long-Term Debt Transactions		
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statements of Net Position. This is the amount of debt repayments made in the current period.		970,000
Repayment of installment purchase debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		86,980
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is decreased/increased by the reduction in accrued interest on bonds and amortization of premium on bond issue.		55,714
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick days), retirement system contributions - are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used.		(449,791)
Changes in Net Position of Governmental Activities		$ 1,200,012

See Notes to Financial Statements.

1 – Summary of significant accounting policies

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

A. Reporting Entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39, GASB Statement 80 – Blending Requirements for Certain Component Units an amendment of GASB No. 14, GASB No. 84 Fiduciary Activities and GASB No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

i. Extraclassroom Activity Funds

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

B. Joint Venture:

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

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

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

During the year, the District was billed $1,700,567 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $450,083. This represents state aid distributions of $386,702 and 2023 fund balance returned to schools of $63,381.

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

C. Basis of Presentation:

i. District-Wide Statements:

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

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

ii. Funds Statements:

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

The District reports the following major governmental funds:

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

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

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

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

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

Miscellaneous Special Revenue Funds: These funds are used to account for transactions of activities for which the District has administrative control, but the activities are not part of the District's operations. Included in the miscellaneous special revenue funds are the extraclassroom activity funds, the scholarship funds, and the backpack program funds.

D. Measurement Focus and Basis of Accounting:

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year except for property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

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

E. Property Taxes:

Real property taxes are levied annually by the Board of Education no later than September 1, 2023 and become a lien on August 14, 2023. Taxes are collected during the period September 1, 2023 to October 31, 2023.

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

F. Restricted Resources:

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

G. Interfund Transactions:

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

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

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

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates:

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

I. Cash (and Cash Equivalents):

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

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

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

J. Accounts Receivable:

Receivables are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories and Prepaid Items:

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

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

L. Other Assets:

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M. Capital Assets:

Capital assets are reported at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	$ 10,000	SL	50 years
Furniture and equipment	5,000	SL	4-10 years

The School District does not possess any infrastructure.

N. Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and other postemployment benefits (OPEB) subsequent to the measurement date. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O. Unearned Credits:

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

P. Vested Employee Benefits:

Compensated Absences
Compensated absences consist of unpaid accumulated annual sick leave.

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

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

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

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

Q. Other Benefits:

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

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

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

R. Short-Term Debt:

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

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

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

S. Accrued Liabilities and Long-Term Obligations:

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

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

T. Equity Classifications:

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

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

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

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

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

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes inventory recorded in the School Lunch Fund of $14,662 and $18,365 in prepaid expense in the Capital Fund.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

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

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

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

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

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

Restricted fund balance includes the following:

General Fund:	
Unemployment insurance	$ 141,487
Retirement contributions	1,113,191
Teacher's retirement system contributions	298,519
Employment benefit accrued liability	86,095
Capital	3,334,291
	4,973,583
School Lunch Program	500
Miscellaneous Special Revenue	160,333
	$ 5,134,416

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balance as of June 30, 2024.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $70,308. Appropriated fund balance in the General Fund amounted to $875,000. Any remaining fund balance in other funds is considered assigned. The School Lunch Fund and Capital Fund also report assigned fund balance of $365,568 and $116,481, respectively. As of June 30, 2024, the District's General Fund encumbrances were classified as follows:

General support	$ 36,853
Instruction	14,175
Pupil transportation	19,196
Employee benefits	84
Total	$ 70,308

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

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

Net Position/Fund Balance

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

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

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

U. Implementation of New Accounting Standards:

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

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

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

V. Future Changes in Accounting Standards:

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

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

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statement also addresses certain application issues.

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

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

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

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

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

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

Differences between the funds' Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

i. Long-term revenue and expense differences:

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

ii. Capital related differences:

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

iii. Long-term debt transaction differences:

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

iv. Pension differences:

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

v. OPEB differences:

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

3 – Stewardship, compliance and accountability

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line-item level.

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

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

The General Fund is the only fund with a legally adopted budget for the fiscal year ended June 30, 2024.

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

Encumbrances

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

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit did not exceed the amount allowable, which is 4% of the District's budget for the upcoming school year.

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

Cash

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

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 3,680,095

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $4,973,583 restricted for various fund balance reserves in the general fund and $79,806 restricted for extraclassroom, $65,547 restricted for scholarships, and $14,980 restricted for the backpack program, all in the miscellaneous special revenue fund.

Deposits

Deposits are valued at cost-or-cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2024 all deposits were fully insured and collateralized by the District's agent but not in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Manager of the District.

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

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

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

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

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

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

Total investments of the cooperative at June 30, 2024 are $11,722,084,338, which consisted of $1,924,766,248 in repurchase agreements, $8,031,972,188 in U.S. Treasury Securities, and $1,765,345,902 in collateralized bank deposits, with various interest rate and due dates.

The amount of $3,162,139 on deposit with NYCLASS is included as cash in the financial statements.

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

The following amounts are included as unrestricted and restricted cash:

Fund	Balance
General	$ 3,162,139

5 – Capital assets

Capital asset balances for the year ended June 30 are as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Construction in progress	$ 190,790	$ 574,364	$ -	$ 765,154
Total nondepreciable assets	190,790	574,364	-	765,154
Capital assets being depreciated:				
Buildings and improvements	20,833,678	-	-	20,833,678
Furniture and equipment	2,862,625	309,028	-	3,171,653
Total depreciated assets	23,696,303	309,028	-	24,005,331
Less accumulated depreciation for:				
Buildings and improvements	(7,569,969)	(416,674)	-	(7,986,643)
Furniture and equipment	(2,051,900)	(168,764)	-	(2,220,664)
Total accumulated depreciation	(9,621,869)	(585,438)	-	(10,207,307)
Total depreciated assets, net	14,074,434	(276,410)	-	13,798,024
Total capital assets balances, net	$ 14,265,224	$ 297,954	$ -	$ 14,563,178
Pupil transportation		$ 114,722		
General support		80,022		
Instruction		376,573		
School food service program		14,121		
		$ 585,438		

6 – Right-to-use assets

The District is in possession of assets that it paid for the right-to-use over a period of time. All of the assets under the right-to-use agreement were paid for during the past five years, in full, during the year the right-to-use agreement began for a particular asset. The amount is amortized over five years, the number of years each asset item is to be used under the right-to-use agreement. A summary of the assets purchased by year, less accumulated amortization is summarized as follows:

Fiscal year obtained	Cost	Prior amortization	Current amortization	Total amortization	Net
6/30/2018	$ 92,596	$ 92,596	$ -	$ 92,596	$ -
6/30/2019	18,851	15,081	3,770	18,851	-
6/30/2020	26,419	15,851	5,284	21,135	5,284
6/30/2021	15,867	6,347	3,173	9,520	6,347
6/30/2022	80,976	16,195	16,196	32,391	48,585
6/30/2024	18,374	-	-	-	18,374
Total	$ 253,083	$ 146,070	$ 28,423	$ 174,493	$ 78,590

7 – Short-term debt

There were no short-term debt financing transactions during the year ended June 30, 2024.

8 – Long-term obligations

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

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

Serial Bonds

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

Noncurrent liability balances and activity are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long-Term Liabilities:					
Serial bonds	$ 2,010,000	$ -	$ (970,000)	$ 1,040,000	$1,015,000
Premium on bonds	189,263	-	(81,114)	108,149	81,114
Installment purchase debt	270,154	-	(86,981)	183,173	90,015
Total Long-Term Liabilities	2,469,417	-	(1,138,095)	1,331,322	1,186,129
Other Long-Term Liabilities:					
Compensated absences	124,077	1,827	-	125,904	10,626
Other postemployment benefits obligation	30,036,791	-	(626,368)	29,410,423	-
Net pension liability - proportionate share	1,195,841	-	(425,343)	770,498	-
	31,356,709	1,827	(1,051,711)	30,306,825	10,626
	$ 33,826,126	$ 1,827	$ (2,189,806)	$ 31,638,147	$1,196,755

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

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Balance
Serial bond - refunded	10/17/17	06/15/25	2.0% - 5.0%	990,000
Bus purchase	09/01/20	09/01/26	0.6 - 1.0%	50,000
				$ 1,040,000

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

Fiscal year ending June 30,	Principal	Interest	Total
2025	$ 1,015,000	$ 49,850	$ 1,064,850
2026	25,000	125	25,125
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030 - 2034	-	-	-
Total	$ 1,040,000	$ 49,975	$ 1,089,975

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

Interest paid	$ 106,622
Less: interest accrued in the prior year	(11,364)
Plus: interest accrued in the current year	7,045
Less: amortization of bond premiums/deferred charge on refunding	(51,395)
Total interest on long-term debt	$ 50,908

Defeased debt:

In prior years, the District defeased certain obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. $990,000 of bonds outstanding are considered defeased.

Installment purchase debt:

The District entered into a purchase agreement for expenditures under an energy performance contract dated September 24, 2010. The contract was refinanced on October 28, 2013. A summary of aggregate minimum annual maturities of installment purchase debt payments as of June 30 is as follows:

2025	$ 96,409
2026	96,408
2027	-
2028	-
2029	-
2030-2034	-
	192,817
Less: interest compounded on the present value at the inception of the lease based on individual lease terms	(9,644)
Present value of minimum lease payments	$ 183,173

The energy performance contract is carried in fixed assets as buildings and improvements at June 30, 2024 as follows:

Cost	$ 1,078,126
Less: accumulated depreciation	(291,100)
Undepreciated cost	$ 787,026

9 – Pension plans

General information:

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

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

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

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

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

	TRS	ERS
2023-2024	$ 402,035	$ 142,438
2022-2023	383,494	125,747
2021-2022	344,820	156,131

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

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

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

	TRS	ERS
Actuarial valuation date	June 30, 2022	April 1, 2023
Net pension asset/(liability)	$ (219,442)	$ (551,056)
District's portion of the Plan's total net pension asset/(liability)	0.019189%	0.003743%

For the year ended June 30, 2024, the District recognized its proportionate share of pension expense of $623,544 for TRS and $237,468 for ERS. At June 30, 2024 the District 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	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	$ 532,088	$ 177,495	$ 1,315	$ 15,026
Changes of assumptions	472,452	208,342	102,968	-
Net difference between projected and actual earnings on pension plan investments	112,174	-	-	269,188
Changes in proportion and differences between the District's contributions and proportionate share of contributions	52,901	10,779	22,375	19,550
District's contributions subsequent to the measurement date	719,659	50,522	-	-
Total	$ 1,889,274	$ 447,138	$ 126,658	$ 303,764

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

Year Ended	TRS	ERS
2024	$ 91,709	$ -
2025	(108,106)	(101,722)
2026	890,115	98,267
2027	72,912	157,158
2028	58,203	(60,852)
Thereafter	38,125	-

Actuarial Assumptions:

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

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
Actuarial valuation date	June 30, 2022	April 1, 2023
Interest rate	6.95%	5.9%
Salary scale	1.95 - 5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2020
	System's Experience	System's Experience
Inflation rate	2.40%	2.9%
Cost of living adjustments	1.3%	1.5%

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

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

The long-term 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* and generally accepted accounting principles. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

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

TRS	Target Allocation 2023	Long-term expected Real rate of return* 2023
Asset Type		
Domestic equities	33%	6.80%
International equities	15%	7.60%
Global equities	4%	7.20%
Real estate equities	11%	6.30%
Private equities	9%	10.10%
Domestic fixed income securities	16%	2.20%
Global bonds	2%	1.60%
Private debt	2%	6.00%
Real estate debt	6%	3.20%
High-yield bonds	1%	4.40%
Cash equivalents	1%	0.30%
Total	100%	

ERS	Target Allocation 2024	Long-term expected Real rate of return* 2024
Asset Type		
Domestic equities	32%	4.00%
International equities	15%	6.65%
Private equities	10%	7.25%
Real estate equities	9%	4.60%
Opportunistic/Absolute return (1)	3%	5.25%
Credit	4%	5.40%
Real assets	3%	5.79%
Fixed income	23%	1.50%
Cash	1%	0.25%
Total	100%	

* Real rates of returns are net of the long-term inflation assumption of 2.9% for 2024.

Discount Rate:

The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.9% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

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

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employers' proportionate share of the net pension asset (liability)	$ (3,342,210)	$ (219,442)	$ 2,406,941

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employers' proportionate share of the net pension asset (liability)	$ (1,732,578)	$ (551,056)	$ 435,759

Changes of Assumptions

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

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources for the current period. The collective pension expense (credit) for the year ended June 30, 2024 is $624,372 for TRS and $240,204 for ERS.

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:

	TRS	ERS
Valuation date	June 30, 2022	April 1, 2023
	(Dollars in Thousands)	
Employers' total pension liability	$ 138,365,122	$ 240,696,851
Plan fiduciary net position	137,221,537	225,972,801
Employers' net pension asset/(liability)	$ (1,143,585)	$ (14,724,050)
Ratio of plan fiduciary net position to the employers' total pension liability	99.2%	93.88%

Payables to the Pension Plan:

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS covered wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to $397,281.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $50,522 of employer contributions. Employee contributions are remitted monthly.

10 – Interfund transactions – governmental funds

	Interfund			
	Receivable	Payable	Revenues	Expenditures
General	$ 531,910	$ 95,534	$ -	$ 10,286
Special aid	67,966	531,910	9,594	-
School lunch	27,568	-	692	-
Total Governmental Funds	$ 627,444	$ 627,444	$ 10,286	$ 10,286

During 2023-2024, the General Fund transferred $9,594 to the Special Aid Fund for the District's share of the special education summer school programs its students attended. The General Fund transferred to the Food Service fund a transfer of $692 to support operations for the 2023-2024 operating year.

11 – Postemployment (health insurance) benefits

Plan Description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employers are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2024, approximately $890,123 was paid on behalf of 58 retirees.

Benefits Provided

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

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

Inactive employees/beneficiaries currently receiving benefit payme	58
Inactive employees entitled to but not yet receiving benefit payment	-
Active employees	83
	141

Net OPEB Liability

The District's total OPEB liability of $29,410,423 was measured as of June 30, 2023, 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:

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	4.00%
Healthcare Cost Trend Rates	6.75% for 2025 decreasing .25 percent to an ultimate rate of 4.5 percent for 2034 and later years
Retirees' Share of Benefit-Related Costs	10-15% depending on retiree's job classification and/or hire date

Mortality rates were based on the MP-2021 Mortality Tables.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 – June 30, 2023.

The discount rate was based on an average of two 20-year bond indices.

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 30,036,791
Changes for the year:	
Service cost	663,821
Interest	1,183,669
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(1,583,735)
Benefit payments	(890,123)
Net changes	(626,368)
Balance at June 30, 2024	$ 29,410,423

Changes of assumptions and other inputs reflect a change in the discount rate from 3.77% in 2023 to 4.00% in 2024.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 34,711,491	$ 29,410,423	$ 25,242,318

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current healthcare cost trend rate:

	1% Decrease 5.75% Decreasing to 3.50%	Healthcare Cost Trend Rates 6.75% Decreasing to 4.50%	1% Increase 7.75% Decreasing to 5.50%
Total OPEB Liability	$ 24,863,222	$ 29,410,423	$ 35,326,718

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

For the year ended June 30, 2024, the District recognized OPEB expense of $(626,368). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions or other inputs	4,202,815	9,801,393
Benefit payments subsequent to measurement period	917,696	-
Total	$ 5,120,511	$ 9,801,393

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	$ (677,146)
2026	(364,454)
2027	(574,639)
2028	(1,220,267)
2029	(1,248,886)
Thereafter	(1,513,186)
	$ (5,598,578)

12 – Fund balance equity

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2024:

Fund Balances	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
Non-spendable						
Food/supplies inventory	$ -	$ -	$ 14,662	$ -	$ -	$ 14,662
Prepaid items	-	-	-	18,365	-	18,365
Restricted						
Unemployment insurance	141,487	-	-	-	-	141,487
Retirement contribution	1,113,191	-	-	-	-	1,113,191
Teacher's retirement	298,519	-	-	-	-	298,519
Employee benefit liability	86,095	-	-	-	-	86,095
Capital	3,334,291	-	-	-	-	3,334,291
Encumbrances	-	-	500	-	-	500
Extraclassroom activity	-	-	-	-	79,806	79,806
Scholarships	-	-	-	-	65,547	65,547
Backpack program	-	-	-	-	14,980	14,980
Assigned						
Encumbrances	70,308	-	-	-	-	70,308
Designated for next year	875,000	-	-	-	-	875,000
School lunch	-	-	365,568	-	-	365,568
Capital fund	-	-	-	116,481	-	116,481
Unassigned	509,456	-	-	-	-	509,456
	$ 6,428,347	$ -	$ 380,730	$ 134,846	$ 160,333	$ 7,104,256

13 – Risk management

General

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

Pooled Non-Risk Retained

The District participates in the Jefferson-Lewis Et. Al. School Employees' Healthcare Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 16 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to $750,000 per insured event. The pool obtains independent coverage for insured events in excess of the $750,000 limit, and the District has essentially transferred all related risk to the pool.

The District participates in the Black River Valley Schools Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is $0.

14 – Tax Abatements

The County of Jefferson enters into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced $21,000. The District received payment in lieu of tax (PILOT) payments totaling $29,468.

15 – Commitments and contingencies

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

16 – Subsequent events

The District has signed contracts for the rehabilitation of its kitchen and dining area, boiler replacement, and plumbing improvements. The total anticipated cost of this project is $10,300,000, of which $765,154 has been expended through the end of this fiscal year.

The District has evaluated events and transactions that occurred between June 30, 2024 and September 25, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. Nothing of significance was noted except as per above.

LaFargeville Central School District
Required Supplementary Information
Schedule of Funding Progress
Other Post Employment Benefits
Last 7 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Measurement date	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Total OPEB Liability							
Service cost	$ 663,821	$ 771,457	$ 1,304,023	$ 1,368,694	$ 1,048,437	$ 903,566	$ 1,063,935
Interest	1,183,669	1,465,087	730,457	709,968	812,475	945,079	831,970
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	-	-	-	-	-
Changes of assumptions or other inputs	(1,583,735)	(10,639,494)	2,697,237	4,527,160	2,060,532	(983,352)	(3,123,911)
Benefit payments	(890,123)	(843,981)	(796,147)	(709,475)	(689,307)	(578,418)	(534,746)
Net change in total OPEB liability	(626,368)	(9,246,931)	3,935,570	5,896,347	3,232,137	286,875	(1,762,752)
Total OPEB liability - beginning	30,036,791	39,283,722	35,348,152	29,451,805	26,219,668	25,932,793	27,695,545
Total OPEB liability - ending	$ 29,410,423	$ 30,036,791	$ 39,283,722	$ 35,348,152	$ 29,451,805	$ 26,219,668	$ 25,932,793
Covered payroll	$ 4,603,857	$ 4,406,861	$ 4,406,861	$ 4,290,172	$ 4,290,172	$ 4,511,639	$ 4,352,689
Total OPEB liability as a percentage of covered payroll	638.82%	681.59%	891.42%	823.93%	686.49%	581.16%	595.79%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical date is available.

Note: The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

LaFargeville Central School District
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues				
Local Sources				
Real property taxes	$ 4,391,853	$ 4,211,502	$ 4,209,102	$ (2,400)
Other tax items	27,500	207,851	219,493	11,642
Charges for services	-	-	22,886	22,886
Use of money and property	25,500	25,500	110,874	85,374
Sale of property and compensation for loss	7,500	7,500	3,347	(4,153)
Miscellaneous	166,156	166,156	178,839	12,683
Total Local Sources	4,618,509	4,618,509	4,744,541	126,032
State sources	6,819,922	6,819,922	6,835,008	15,086
Medicaid reimbursement	5,000	5,000	16,415	11,415
Federal sources	-	-	33,139	33,139
Total Revenues	11,443,431	11,443,431	11,629,103	$ 185,672
Appropriated Fund Balance				
Prior years' surplus	725,000	725,000		
Prior year's encumbrances	95,847	95,847		
Appropriated reserves	175,000	175,000		
Total Appropriated Fund Balance	995,847	995,847		
Total Revenues and Appropriated Fund Balance	$ 12,439,278	$ 12,439,278		

Expenditures	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual & Encumbrances
General support					
Board of Education	$ 14,045	$ 14,045	$ 8,857	$ 813	$ 4,375
Central administration	163,143	161,550	159,753	-	1,797
Finance	262,808	262,808	256,394	160	6,254
Staff	46,022	46,022	28,144	550	17,328
Central services	864,459	864,459	690,804	26,330	147,325
Special items	175,198	175,198	140,748	9,000	25,450
Total General Support	1,525,675	1,524,082	1,284,700	36,853	202,529
Instruction					
Administration and improvement	264,293	265,886	251,717	-	14,169
Teaching - regular school	3,105,517	3,056,916	2,753,339	5,699	297,878
Programs for students with disabilities	1,626,196	1,666,600	1,474,060	475	192,065
Teaching - special schools	3,727	5,059	4,783	-	276
Instructional media	273,975	283,885	272,433	-	11,452
Pupil services	478,402	475,357	330,371	8,001	136,985
Total Instruction	5,752,110	5,753,703	5,086,703	14,175	652,825
Pupil transportation	981,112	981,112	798,948	19,196	162,968
Community services	284	284	284	-	-
Employee benefits	3,007,993	3,004,399	2,535,644	84	468,671
Debt service	1,163,604	1,163,604	1,163,602	-	2
Total Expenditures	12,430,778	12,427,184	10,869,881	70,308	1,486,995
Other Financing Uses					
Transfers to other funds	8,500	12,094	10,286	-	1,808
Total Expenditures and Other Financing uses	12,439,278	12,439,278	10,880,167	$ 70,308	$ 1,488,803
Net Change in Fund Balance	-	-	748,936		
Fund balance - Beginning of year	5,679,411	5,679,411	5,679,411		
Fund balance - End of year	$ 5,679,411	$ 5,679,411	$ 6,428,347		

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

LaFargeville Central School District
Required Supplementary Information
Schedules of District Contributions
NYSTRS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 402,035	$ 383,494	$ 344,820	$ 323,431	$ 376,683	$ 340,905	$ 367,088	$ 403,288	$ 524,103	$ 468,823
Contributions in relation to the contractually Required contribution	402,035	383,494	344,820	323,431	376,683	340,905	367,088	403,288	524,103	468,823
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 3,584,887	$ 3,636,612	$ 3,385,580	$ 3,448,081	$ 3,400,113	$ 3,314,776	$ 3,185,025	$ 3,093,756	$ 3,013,755	$ 2,933,508
Contributions as a percentage of covered-employee payroll	11.21%	10.55%	10.18%	9.38%	11.08%	10.28%	11.53%	13.04%	17.39%	15.98%

LaFargeville Central School District
Schedules of District Contributions
NYSERS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 142,438	$ 125,747	$ 156,131	$ 140,864	$ 156,665	$ 144,452	$ 144,463	$ 154,013	$ 176,561	$ 199,446
Contributions in relation to the contractually required contribution	142,438	125,747	156,131	140,864	156,665	144,452	144,463	154,013	176,561	199,446
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,122,154	$ 1,132,330	$ 1,032,043	$ 997,191	$ 1,008,546	$ 977,271	$ 957,321	$ 997,550	$ 970,690	$ 971,365
Contributions as a percentage of covered-employee payroll	12.69%	11.11%	15.13%	14.13%	15.53%	14.78%	15.09%	15.44%	18.19%	20.53%

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

LaFargeville Central School District
Required Supplementary Information
Schedules of District's Proportionate Share
of the Net Pension Liability
NYSTRS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.019189%	0.020119%	0.019786%	0.020135%	0.020236%	0.020018%	0.019765%	0.019710%	0.019903%	0.019531%
District's proportionate share of the net pension liability (asset)	$ 219,442	$ 386,066	$ (3,428,716)	$ 556,373	$ (525,726)	$ (361,980)	$ (150,236)	$ 211,098	$ (2,067,320)	$ (217,565)
District's covered-employee payroll	$ 3,584,887	$ 3,636,612	$ 3,385,580	$ 3,448,081	$ 3,400,113	$ 3,314,776	$ 3,185,025	$ 3,093,756	$ 3,013,755	$ 2,933,508
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.12%	10.62%	-101.27%	16.14%	-15.46%	-10.92%	-4.72%	6.82%	-68.60%	-7.42%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

LaFargeville Central School District
Schedules of District's Proportionate Share
of the Net Pension Liability
NYSERS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0037426%	0.0037762%	0.0038174%	0.0038717%	0.0034330%	0.0036131%	0.0034437%	0.0039278%	0.0039881%	0.0042308%
District's proportionate share of the net pension liability (asset)	$ 551,056	$ 809,775	$ (312,053)	$ 3,855	$ 909,068	$ 256,001	$ 111,143	$ 369,067	$ 640,094	$ 142,927
District's covered-employee payroll	$ 1,122,154	$ 1,132,330	$ 1,032,043	$ 997,191	$ 1,008,546	$ 977,271	$ 957,321	$ 997,550	$ 970,690	$ 971,365
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	49.11%	71.51%	-30.24%	0.39%	90.14%	26.20%	11.61%	37.00%	65.94%	14.71%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

LaFargeville Central School District
Supplementary Information
Schedule of Change from Adopted Budget to Final Budget
And the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2024

Change From Adopted Budget to Final Budget

Adopted budget	$ 12,343,431
Add: prior year's encumbrances	95,847
Original budget	12,439,278
Budget revisions	-
Final Budget	$ 12,439,278

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 voter-approved expenditure budget		$ 12,743,232
Maximum allowed (4% of 2024-25 budget)		509,729
General fund balance subject to Section 1318 of Real property tax law:		
Unrestricted fund balance:		
Assigned fund balance	945,308	
Unassigned fund balance	509,456	
Total unrestricted fund balance	$ 1,454,764	
Less:		
Appropriated fund balance	$ 875,000	
Encumbrances included in assigned fund balance	70,308	
Total adjustments	$ 945,308	
General fund balance subject to Section 1318 of Real property tax law		$ 509,456
Actual percentage		4.00%

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

LaFargeville Central School District
Supplementary Information
Schedule of Project Expenditures
Capital Projects Fund
For the Year Ended June 30, 2024

			Expenditures					Methods of Financing			
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2024
Project Title											
Kitchen, dining area rehab, boiler replace, plumbing imp	$ 10,300,000	$ 10,300,000	$ 190,790	$ 574,364	$ 765,154	$ 9,534,846	$ -	$ -	$ 900,000	$ 900,000	$ 134,846
Totals	$ 10,300,000	$ 10,300,000	$ 190,790	$ 574,364	$ 765,154	$ 9,534,846	$ -	$ -	$ 900,000	$ 900,000	$ 134,846

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

Capital assets, net		$ 14,563,178
Add:		
Deferred charge on bond refunding		39,622
Deduct:		
Premium on bonds payable	$ 108,149	
Short-term portion of installment purchase debt payable	90,015	
Long-term portion of installment purchase debt payable	93,158	
Short-term portion of bonds payable	1,015,000	
Long-term portion of bonds payable	25,000	1,331,322
Net Investment in Capital Assets		$ 13,271,478

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Mark B. Hills, C.P.A.

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
LaFargeville Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of LaFargeville Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise LaFargeville Central School District's basic financial statements, and have issued our report thereon dated September 25, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Watertown, NY
September 25, 2024

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

Board of Education
LaFargeville Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, LaFargeville Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Watertown, NY
September 25, 2024

LaFargeville Central School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number	Agency or Pass-through Number	Expenditures
U.S. Department of Agriculture			
Passed-through NYS Education Department:			
Child Nutrition Cluster:			
Non-Cash Assistance (food distribution)			
National School Lunch Program	10.555		$ 17,032
Non-Cash Assistance subtotal			17,032
Cash Assistance			
School Breakfast Program	10.553		56,663
National School Lunch Program	10.555		233,041
Snack Program	10.555		6,875
Summer Food Service Program	10.559		6,580
Cash Assistance subtotal			303,159
Total Child Nutrition Cluster			320,191
Total Passed-through NYS Education Department			320,191
Total, U.S. Department of Agriculture			320,191
U.S. Department of Education			
Passed-through NYS Education Department:			
Special Education Cluster:			
IDEA - Part B (Section 611)	84.027	0032-24-0322	138,813
IDEA - Part B (Section 619)	84.173	0033-24-0322	2,596
Total Special Education Cluster			141,409
Education Stabilization Funds:			
COVID-19 - ARP ESSER 3	84.425U	5880-21-1200	414,584
COVID-19 - ARP - SLR Impact of Lost Learning	84.425U	5884-21-1200	110,846
COVID-19 - ARP - SLR Summer Enrichment	84.425U	5882-21-1200	9,457
COVID-19 - ARP - SLR Comprehensive After School	84.425U	5883-21-1200	66,282
Total Education Stabilization Funds			601,169
Title I - ESEA - Basic Grant	84.010	0021-24-1200	175,173
Title IIA - Teacher/Principal Training/Recruiting	84.367	0147-24-1200	20,790
Title IV - Student Support/Academic Enrichment	84.424	0204-24-1200	12,523
Total Passed-through NYS Education Department			951,064
Direct Program:			
REAP - Rural Education Achievement Program	84.358	S358A222877	36,439
Impact Aid	84.041		33,139
Total, U.S. Department of Education			1,020,642
Total Federal Awards Expended			$ 1,340,833

See paragraph on supplementary schedules included in auditors' report.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

LaFargeville Central School District
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024

1 – Summary of certain significant accounting policies:

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

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The District's policy is not to charge federal award programs with indirect costs.

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

2 – Subrecipients:

No amounts were provided to subrecipients.

3 – Food distribution:

Nonmonetary assistance is recorded in the schedule at the fair market value of the commodities received and disbursed. The District was granted $17,032 of commodities under the National School Lunch Program (CFDA 10.555).

4 – Other disclosures:

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

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

LaFargeville Central School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	______ yes	__X__ no
Significant deficiency(ies) identified?	______ yes	__X__ none reported
Type of auditor's opinion(s) issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)	______ yes	__X__ no

Identification of major programs:

Name of federal program	CFDA Number
Education Stabilization Funds:	
ARP – ESSER 3	84.425U
ARP – SLR Impact of Lost Learning Time	84.425U
ARP – SLR Summer Enrichment	84.425U
ARP – SLR Comprehensive After School	84.425U

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 Statements Findings

None

Section III - Federal Award Findings and Questioned Costs

None

LaFargeville Central School District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

There were no prior year audit findings.

FORM OF OPINION OF BOND COUNSEL

July 10, 2025

LaFargeville Central School District
20414 Sunrise Avenue
LaFargeville, New York 13656

Re: LaFargeville Central School District, Jefferson County, New York
$9,400,000 Bond Anticipation Notes, 2025, CUSIP No.: ____________

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $9,400,000 Bond Anticipation Notes, 2025 (the "Notes") of the LaFargeville Central School District, County of Jefferson, State of New York (the "District"). The Notes are dated July 10, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before July 10, 2025 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

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

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

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

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

Very truly yours,

Trespasz Law Offices, LLP