

## PRELIMINARY OFFICIAL STATEMENT

### NEW/RENEWAL ISSUES

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



# \$23,197,169

## CHITTENANGO CENTRAL SCHOOL DISTRICT

### MADISON AND ONONDAGA COUNTIES, NEW YORK

#### GENERAL OBLIGATIONS

### \$1,697,169 Bond Anticipation Notes, 2025 Series A

(the "Series A Notes")

**Dated: July 10, 2025**

**Due: July 10, 2026**

**&**

### \$21,500,000 Bond Anticipation Notes, 2025 Series B

(the "Series B Notes")

(Collectively with the Series A Notes referred to herein as the "Notes")

**Dated: July 10, 2025**

**Due: June 25, 2026**

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

The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, except for a necessary odd denomination of \$7,169 for the Series A Notes, as may be determined by such successful bidder.

Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination of \$7,169 for the Series A Notes, as may be determined by such successful bidder. If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of 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 by the purchaser(s), on or about July 10, 2025.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com) on June 25, 2025 until 10:45 A.M., Eastern Time, pursuant to the respective Notices of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the respective Notices of Sale.**

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 SALES OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "CONTINUING DISCLOSURE" HEREIN.

# CHITTENANGO CENTRAL SCHOOL DISTRICT MADISON AND ONONDAGA COUNTIES, NEW YORK

## SCHOOL DISTRICT OFFICIALS

### 2024-2025 BOARD OF EDUCATION

GEOFFREY F. ZIMMER  
President



DANIEL E. MAYER  
Vice President

JASON THOMAS  
SIUBHAN BONGIOVANNI  
DANA KENT  
LOUIS CIANFROCCO  
J. DANIEL GIBBONS  
EDWARD GRATIEN  
DANIEL E. MAYER

\* \* \* \* \*

MICHAEL R. EIFFE  
Superintendent of Schools

SCOTT P. MAHARDY  
Assistant Superintendent for Business /District Clerk

JASON P. CLARK  
Assistant Superintendent for Instructional Services

MATT MORKEL  
District Treasurer



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor



TRESPASZ LAW OFFICES, LLP  
Bond Counsel

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

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## PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.  
250 South Clinton Street, Suite 502  
Syracuse, New York 13202  
(315) 752-0051  
[www.fiscaladvisors.com](http://www.fiscaladvisors.com)

**OFFICIAL STATEMENT**  
**of the**  
**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**MADISON AND ONONDAGA COUNTIES, NEW YORK**

**Relating To**  
**\$1,697,169 Bond Anticipation Notes, 2025 Series A**  
**&**  
**\$21,500,000 Bond Anticipation Notes, 2025 Series B**

This Official Statement, which includes the cover page and appendices, has been prepared by the Chittenango Central School District, Madison and Onondaga Counties, New York (the “School District” or “District”, “Counties”, and “State”, respectively) in connection with the sale by the School District of \$1,697,169 Bond Anticipation Notes, 2025 Series A (the “Series A Notes”) and \$21,500,000 Bond Anticipation Notes, 2025 Series B (the “Series B Notes”) (Collectively referred to herein as 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 (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” and “TAX LEVY LIMITATION LAW” herein.

The Series A Notes will be dated July 10, 2025 and will mature, without option of prior redemption, on July 10, 2026. The Series B Notes will be dated July 10, 2025 and will mature, without option of prior redemption, on June 25, 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) registered in the name of the purchaser, in denominations of \$5,000 each or multiples thereof, except for a necessary odd denomination that is or includes \$7,169, as may be determined by the successful bidder with principal and interest payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by such successful bidder; or (ii) at the option of the purchaser, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

## No Optional Redemption

The Notes shall not be subject to redemption prior to maturity.

## Purpose of Issue – Series A Notes

The Series A Notes are issued pursuant to the Constitution and laws of the State, including the Education Law, constituting Chapter 16, and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York and bond resolutions adopted by the Board of Education of the District on authorizing the issuance of obligations for the purchase of buses, as described below.

| Purpose           | Bond Resolution Dated | Authorized Bond Amount | Amount Outstanding | Paydown    | New Money  | Notes to be Issued |
|-------------------|-----------------------|------------------------|--------------------|------------|------------|--------------------|
| Purchase of Buses | 6/8/2021              | \$ 372,883             | \$ 75,000          | \$ 37,000  | \$ -       | \$ 38,000          |
| Purchase of Buses | 6/7/2022              | 666,064                | 410,000            | 135,000    | -          | 275,000            |
| Purchase of Buses | 6/20/2023             | 613,829                | 495,000            | 120,000    | -          | 375,000            |
| Purchase of Buses | 6/18/2024             | 683,382                | 683,382            | 133,382    | -          | 550,000            |
| Purchase of Buses | 6/17/2025             | 459,169                | -                  | -          | 459,169    | 459,169            |
|                   |                       | Totals:                | \$ 1,663,382       | \$ 425,382 | \$ 459,169 | \$ 1,697,169       |

  

| Purpose           | Bond Resolution Dated | Authorized Bond Amount | Amount Outstanding | Paydown    | New Money  | Notes to be Issued |
|-------------------|-----------------------|------------------------|--------------------|------------|------------|--------------------|
| Purchase of Buses | 6/8/2021              | \$ 372,883             | \$ 75,000          | \$ 37,000  | \$ -       | \$ 38,000          |
| Purchase of Buses | 6/7/2022              | 666,064                | 410,000            | 135,000    | -          | 275,000            |
| Purchase of Buses | 6/20/2023             | 613,829                | 495,000            | 120,000    | -          | 375,000            |
| Purchase of Buses | 6/18/2024             | 683,382                | 683,382            | 133,382    | -          | 550,000            |
| Purchase of Buses | 6/17/2025             | 459,169                | -                  | -          | 459,169    | 459,169            |
|                   |                       | Totals:                | \$ 1,663,382       | \$ 425,382 | \$ 459,169 | \$ 1,697,169       |

The proceeds of the Series A Notes, together with \$425,382 available funds of the District, will be used to redeem \$1,663,382 bond anticipation notes maturing July 11, 2025 and also provide \$459,169 in new money to finance the purchase of buses.

## Purpose of Issue – Series B Notes

The Series B Notes are issued pursuant to the Constitution and laws of the State, including the Education Law, constituting Chapter 16, and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York and bond resolution adopted by the Board of Education of the District on November 22, 2022 authorizing the issuance of \$21,500,000 bonds and notes along with \$4,750,000 from the District's reserve fund to finance reconstruction and improvements to various District buildings and facilities.

The District currently has \$17,500,000 bond anticipation notes outstanding and maturing July 11, 2025 for the aforementioned project. The Series B Notes will renew the bond anticipation notes maturing July 11, 2025 in full and provide \$4,000,000 new monies 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, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities

certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

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

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

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST 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 ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

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

### **Certificated Notes**

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination of \$7,169 with respect to the Series A Notes. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

## **THE SCHOOL DISTRICT**

### **General Information**

The District is located in the central portion of the State, sixteen miles east of the City of Syracuse on Route 5. The District, which is in the northwestern portion of Madison and Onondaga Counties and the eastern perimeter of Onondaga County, encompasses an area of 75 square miles. It extends from the area near Chittenango Falls State Park northward to the southern shore of Oneida Lake.

The area, predominantly rural, has been the scene in the past decade of numerous residential developments. The labor force works in Syracuse or in the industrial communities to the east. However, certain portions of the area are still given over to farming.

The State Thruway cuts through the District with access to various interchanges. The residents are served by air, bus and train terminals, all located within sixteen miles of the community. The Syracuse-Hancock International Airport is served by American, United, Frontier, Allegiant, Breeze, Sun Country, Delta and JetBlue.

The colleges and universities which are located in the area (but not within the District) include Syracuse University, Le Moyne College, Colgate University, Hamilton College, Utica College, Cazenovia College and institutions of the State University College of Education.

Banking needs are provided by Community Bank, N.A., which is located within the District, as well as branches of various Syracuse banks located within a ten-mile radius of the District offices.

Ample fire protection is afforded the residents through volunteer services. Police protection is available through State, County and local agencies.

Source: District officials.

### **District Population**

The current estimated population of the District is 13,140. (Source: 2023 U.S. Census Bureau).

## Five Largest Employers

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

| <u>Name</u>        | <u>Type</u>   | <u>Employees</u> |
|--------------------|---------------|------------------|
| Colgate University | Education     | 985              |
| Oneida Health Care | Hospital      | 830              |
| Briggs & Stratton  | Manufacturing | 491              |
| Marquardt Switches | Manufacturing | 435              |
| SUNY Morrisville   | Education     | 320              |

Source: District officials.

## Selected Wealth and Income Indicators

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

|              | <u>Per Capita Income</u> |                  |                  | <u>Median Family Income</u> |                  |                  |
|--------------|--------------------------|------------------|------------------|-----------------------------|------------------|------------------|
|              | <u>2006-2010</u>         | <u>2016-2020</u> | <u>2019-2023</u> | <u>2006-2010</u>            | <u>2016-2020</u> | <u>2019-2023</u> |
| Towns of:    |                          |                  |                  |                             |                  |                  |
| Cazenovia    | \$ 39,056                | \$ 43,657        | \$ 58,240        | \$ 90,855                   | \$ 108,213       | \$ 140,568       |
| Lenox        | 22,970                   | 27,115           | 35,837           | 59,847                      | 69,904           | 85,469           |
| Lincoln      | 30,055                   | 33,207           | 43,154           | 67,321                      | 73,558           | 94,250           |
| Sullivan     | 24,982                   | 32,979           | 38,431           | 64,101                      | 87,035           | 98,180           |
| Cicero       | 29,393                   | 38,195           | 46,202           | 74,792                      | 96,894           | 110,969          |
| Manlius      | 38,170                   | 49,627           | 59,426           | 88,386                      | 109,633          | 136,935          |
| Counties of: |                          |                  |                  |                             |                  |                  |
| Madison      | 24,311                   | 32,443           | 39,904           | 61,828                      | 78,812           | 94,317           |
| Onondaga     | 27,037                   | 34,600           | 41,538           | 65,929                      | 82,368           | 98,891           |
| State of:    |                          |                  |                  |                             |                  |                  |
| New York     | 30,948                   | 40,898           | 49,520           | 67,405                      | 87,270           | 105,060          |

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

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

## Unemployment Rate Statistics

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

|                 | <u>Annual Average</u> |             |             |             |             |             |             |
|-----------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                 | <u>2018</u>           | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Madison County  | 4.8%                  | 4.3%        | 7.8%        | 4.5%        | 3.4%        | 3.7%        | 3.8%        |
| Onondaga County | 4.0%                  | 3.8%        | 8.4%        | 4.9%        | 3.3%        | 3.3%        | 3.5%        |
| New York State  | 4.1%                  | 3.8%        | 9.9%        | 7.1%        | 4.3%        | 4.1%        | 4.3%        |

|                 | <u>2025 Monthly Figures</u> |            |            |            |            |            |
|-----------------|-----------------------------|------------|------------|------------|------------|------------|
|                 | <u>Jan</u>                  | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> |
| Madison County  | 4.9%                        | 5.0%       | 4.4%       | 3.2%       | N/A        | N/A        |
| Onondaga County | 3.8%                        | 4.1%       | 3.6%       | 2.9%       | N/A        | N/A        |
| New York State  | 4.6%                        | 4.3%       | 4.1%       | 3.6%       | N/A        | N/A        |

Note: Unemployment rates for May and June 2025 are not available as of the date of this Official Statement.

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

## **Form of School Government**

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

## **Investment Policy**

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, (2) Time Deposit Accounts in a bank or trust company authorized to do business in New York State, (3) Obligations of New York State, (4) Obligations of the United States Government, (5) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

## **Budgetary Procedures and Recent Budget Votes**

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

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

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3<sup>rd</sup> Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. 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 adopted by qualified voters on May 21, 2024 by a vote of 320 to 71. The District's adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.10%, which was equal to the District tax levy limit of 3.10%.

The budget for the 2025-26 fiscal year was adopted by qualified voters on May 20, 2025 by a vote of 435 to 110. The District's adopted budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.95%, which was below the District tax levy limit of 4.79%.

## State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 53.80% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

### *Federal aid received by the State*

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

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

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

## *Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-26 preliminary building aid ratios, the District expects to receive State building aid of approximately 86.7% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

## *State Aid History*

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

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

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

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

*School district fiscal year (2025-2026):* The State's 2025-26 Budget includes approximately \$37 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State's 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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

#### *State Aid Litigation*

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

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

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

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

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

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

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

## State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below five completed fiscal years and budgeted figures for the current fiscal year comprised of State aid.

| <u>Fiscal Year</u>   | <u>Total Revenues</u> <sup>(1)</sup> | <u>Total State Aid</u> | <u>Percentage of<br/>Total Revenues<br/>Consisting of State Aid</u> |
|----------------------|--------------------------------------|------------------------|---|
| 2019-2020            | \$ 38,950,930                        | \$ 19,551,558          | 50.20%  |
| 2020-2021            | 40,709,672                           | 20,451,747             | 50.24   |
| 2021-2022            | 41,416,456                           | 20,765,986             | 50.14   |
| 2022-2023            | 42,888,892                           | 21,503,088             | 50.14   |
| 2023-2024            | 43,536,959                           | 21,892,316             | 50.28   |
| 2024-2025 (Budgeted) | 45,170,787                           | 23,269,956             | 51.52   |
| 2025-2026 (Budgeted) | 48,893,943                           | 26,306,285             | 53.80   |

<sup>(1)</sup> General Fund only. Does not include interfund transfers nor appropriated fund balance.

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. This table is not audited.

## District Facilities

| <u>Name</u>                       | <u>Grades</u> | <u>Capacity</u> | <u>Year(s) Built/Additions</u>          |
|-----------------------------------|---------------|-----------------|---|
| Chittenango High School           | 9-12          | 1,003           | 1951, '62, '96, '00                     |
| Chittenango Station Middle School | 5-8           | 698             | 1951, '61, '72, '92, '00                |
| Bolivar Road Elementary School    | K-4           | 555             | 1957, '61, '96, '00, '06, '15, '20, '21 |
| Bridgeport Elementary School      | K-4           | 516             | 1951, '55, '61, '96                     |

Source: District officials.

## Enrollment Trends

| <u>School Year</u> | <u>Actual Enrollment</u> | <u>School Year</u> | <u>Projected Enrollment</u> |
|--------------------|--------------------------|--------------------|-----------------------------|
| 2020-2021          | 1,903                    | 2025-2026          | 1,945                       |
| 2021-2022          | 1,885                    | 2026-2027          | 1,945                       |
| 2022-2023          | 1,915                    | 2027-2028          | 1,945                       |
| 2023-2024          | 1,944                    | 2028-2029          | 1,945                       |
| 2024-2025          | 1,905                    | 2029-2030          | 1,945                       |

Source: District officials.

## Employees

The District employs a total of approximately 400 full-time and 25 part-time employees. The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

| <u>Number of Employees</u> | <u>Bargaining Unit</u>  | <u>Contract Expiration Date</u> |
|----------------------------|---|---------------------------------|
| 200                        | Chittenango Teachers' Association                                     | June 30, 2027                   |
| 39                         | Teamsters Local 317   | June 30, 2027                   |
| 26                         | AFSCME Local 2630A (Maintenance)                                      | June 30, 2027                   |
| 8                          | SAANY'S   | June 30, 2027                   |
| 83                         | Chittenango School Related Professional Association (Teachers' Aides) | June 30, 2027                   |
| 47                         | Non-Affiliated  | Not Applicable                  |

Source: District officials.

## Status and Financing of Employee Pension Benefits

Substantially all employees of the District are either members of 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" or "SRS" 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 System 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 working ten or more years. All members (other than those in Tier VI described below) working less than ten years must contribute 3%-3.5% of gross annual salary toward the cost of retirement programs unless they are hired after June 1, 2012 and are Tier VI employees.

On December 12, 2009, a new Tier V was signed into law. The law became effective for new ERS and TRS hires on January 1, 2010. 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 employees to continue contributing 3% of their salaries 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 a 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%, 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 State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

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

| <u>Year</u>                  | <u>ERS</u> | <u>TRS</u>   |
|------------------------------|------------|--------------|
| 2019-2020                    | \$ 781,995 | \$ 1,245,678 |
| 2020-2021                    | 840,907    | 1,286,706    |
| 2021-2022                    | 822,803    | 1,393,495    |
| 2022-2023                    | 659,310    | 1,570,988    |
| 2023-2024                    | 844,613    | 1,449,616    |
| 2024-2025 (Budgeted)         | 1,052,483  | 1,659,428    |
| 2024-2025 (Unaudited Actual) | 1,004,777  | 1,728,743    |
| 2025-2026 (Budgeted)         | 1,164,981  | 1,659,428    |

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. For the 2014-2015 fiscal year the District offered an early retirement incentive; seven individuals participated resulting in \$107,000 of savings for the District. The District did not have retirement incentives for the 2016-17 through 2024-25 fiscal years and currently does not plan to have retirement incentives for the 2025-26 fiscal year.

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

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

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

\*Estimated.

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

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

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 State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows 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. As of June 30, 2019, the District established a reserve fund for the purpose of funding the cost of TRS contributions.

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.

## **Other Post-Employment Benefits**

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), described below, requires such accounting.

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.

GASB 75 and OPEB. In 2015, the GASB released new accounting standards for public other postemployment benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires school districts to report

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 requires school districts to calculate and report a net other postemployment benefit 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.

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

The District contracted with Questar State Aid Planning to calculate its OPEB in accordance with GASB 75. The table below outlines the changes to the Total OPEB Liability during the past two fiscal year, by source.

|  |                       |                      |                      |
|--|-----------------------|----------------------|----------------------|
|  | Balance beginning at: | July 1, 2022         | July 1, 2023         |
|  |                       | \$ 94,360,816        | \$ 98,161,354        |
| <u>Changes for the year:</u>                       |                       |                      |                      |
| Service cost                                       |                       | 3,847,291            | 3,600,166            |
| Interest   |                       | 3,430,974            | 3,664,765            |
| Effect of demographic gains or losses              |                       | 4,809,059            | -                    |
| Differences between expected and actual experience |                       | -                    | -                    |
| Effects of assumptions changes or inputs           |                       | (5,688,328)          | (4,409,847)          |
| Benefit payments                                   |                       | (2,598,458)          | (2,738,495)          |
| Net Changes  |                       | \$ 3,800,538         | \$ 116,589           |
|  | Balance ending at:    | June 30, 2023        | June 30, 2024        |
|  |                       | <u>\$ 98,161,354</u> | <u>\$ 98,277,943</u> |

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

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

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

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

## Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as “APPENDIX – D”. In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. (See “New York State Comptroller Report of Examination” herein). Certain financial information of the District can be found attached as Appendices to the Continuing Disclosure Statement.

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

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

## New York State Comptroller Reports of Examination

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

The State Comptroller's office released an audit report of the District on March 8, 2024. The purpose of the audit was to determine if District officials adequately managed nonstudent network and local user account access and developed an Information Technology (IT) contingency plan.

### Key Findings:

District officials did not adequately manage nonstudent network and local user account access or develop an IT contingency plan. As a result, the District's IT system and its personal, private and sensitive information (PPSI) may be accessible to unauthorized users. Officials also have less assurance that, in the event of a disruption or disaster such as a ransomware attack, employees and other responsible parties would be able to react quickly and effectively to help resume, restore, repair and/or rebuild critical IT systems or data in a timely manner.

In addition to sensitive IT control weaknesses that OSC confidentially communicated to officials, OSC determined:

- Eighty-nine (15 percent) of the District's nonstudent network user accounts were no longer needed and should have been disabled.
- Eleven of 21 local user accounts (52 percent) reviewed on 12 District computers were no longer needed.

### Key Recommendations:

- Disable unneeded nonstudent network and local user accounts as soon as they are no longer needed and periodically review user accounts for necessity.
- Develop and adopt a written IT contingency plan.

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

As of the date of this Official Statement, there are no other State Comptroller audits of the District that are currently in progress or pending release.

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

## The State Comptroller's Fiscal Stress Monitoring System

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

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

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

| <u>Fiscal Year Ending In</u> | <u>Stress Designation</u> | <u>Fiscal Score</u> |
|------------------------------|---------------------------|---------------------|
| 2024                         | Moderate Fiscal Stress    | 51.7                |
| 2023                         | No Designation            | 20.0                |
| 2022                         | No Designation            | 18.3                |

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

## Other Information

Statutory authority for the power to spend money for the objects or purposes; or to accomplish the objects or purposes, for which bonds and notes are to be issued is the Education Law and the Local Finance Law.

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

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

Except to the extent shown in "Estimated Overlapping Indebtedness," this Continuing Disclosure Statement does not include the financial data of any political subdivision having power to levy taxes upon property within the District.

## TAX INFORMATION

### Taxable Assessed Valuations

| <u>Fiscal Year Ending June 30:</u> | <u>2021</u>           | <u>2022</u>           | <u>2023</u>           | <u>2024</u>           | <u>2025</u>           |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Towns of:                          |                       |                       |                       |                       |                       |
| Sullivan                           | \$ 788,631,771        | \$ 798,320,338        | \$ 804,962,886        | \$ 811,419,372        | \$ 823,292,944        |
| Cazenovia                          | 10,561,471            | 10,765,142            | 10,960,104            | 11,009,073            | 11,190,032            |
| Lincoln                            | 8,175,189             | 1,142,777             | 998,302               | 902,543               | 907,849               |
| Lenox                              | 891,627               | 8,219,361             | 8,233,416             | 8,287,658             | 8,402,364             |
| Cicero                             | 187,650               | 182,473               | 173,123               | 165,366               | 172,845               |
| Manlius                            | 2,207,940             | 2,379,854             | 2,786,076             | 3,024,706             | 3,209,520             |
| Total Assessed Values              | <u>\$ 810,655,648</u> | <u>\$ 821,009,945</u> | <u>\$ 828,113,907</u> | <u>\$ 834,808,718</u> | <u>\$ 847,175,554</u> |

### State Equalization Rates

|                              |                       |                       |                         |                         |                         |
|------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| Towns of:                    |                       |                       |                         |                         |                         |
| Sullivan                     | 92.00%                | 87.00%                | 80.00%                  | 69.00%                  | 69.50%                  |
| Cazenovia                    | 99.00%                | 97.00%                | 91.00%                  | 76.00%                  | 71.00%                  |
| Lincoln                      | 95.50%                | 91.50%                | 81.00%                  | 64.00%                  | 64.00%                  |
| Lenox                        | 95.50%                | 91.50%                | 85.00%                  | 70.00%                  | 68.00%                  |
| Cicero                       | 100.00%               | 96.00%                | 86.00%                  | 72.00%                  | 70.50%                  |
| Manlius                      | 100.00%               | 100.00%               | 100.00%                 | 100.00%                 | 100.00%                 |
| Total Taxable Full Valuation | <u>\$ 879,766,237</u> | <u>\$ 941,509,443</u> | <u>\$ 1,032,153,903</u> | <u>\$ 1,206,959,843</u> | <u>\$ 1,217,584,394</u> |

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

| <u>Fiscal Year Ending June 30:</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Towns of:                          |             |             |             |             |             |
| Sullivan                           | \$ 22.88    | \$ 23.05    | \$ 23.29    | \$ 23.77    | \$ 24.12    |
| Cazenovia                          | 21.26       | 20.65       | 20.48       | 21.58       | 23.61       |
| Lincoln                            | 22.04       | 21.92       | 23.00       | 25.63       | 26.20       |
| Lenox                              | 22.04       | 21.92       | 21.92       | 23.43       | 24.65       |
| Cicero                             | 21.05       | 20.89       | 21.67       | 22.78       | 23.78       |
| Manlius                            | 21.05       | 20.05       | 18.63       | 16.40       | 16.77       |

### Tax Collection Procedure

District taxes are payable during the month of September without penalty. A 2.0% penalty is imposed for late payment in October and 3% penalty in November. Unpaid school taxes are returned to the Madison County Treasurer and The Chief Fiscal Officer of Onondaga County on November 15<sup>th</sup> and the District is reimbursed in full, from the Counties before the end of the fiscal year in which the taxes are levied.

## Tax Levy and Tax Collection Record

| <u>Fiscal Year Ending June 30:</u> | <u>2021</u>   | <u>2022</u>   | <u>2023</u>   | <u>2024</u>   | <u>2025</u>   |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Tax Levy                     | \$ 18,521,285 | \$ 18,882,127 | \$ 19,231,775 | \$ 19,799,113 | \$ 20,413,331 |
| Amount Uncollected <sup>(1)</sup>  | 700,827       | 660,874       | 791,185       | 841,905       | 820,389       |
| % Uncollected                      | 3.78%         | 3.50%         | 4.11%         | 4.25%         | 4.02%         |

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

## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes and other Tax Items.

| <u>Fiscal Year</u>   | <u>Total Revenues <sup>(1)</sup></u> | <u>Total Real Property<br/>Taxes &amp; Tax Items</u> | <u>Percentage of<br/>Total Revenues<br/>Consisting of<br/>Real Property Tax</u> |
|----------------------|--------------------------------------|--|---|
| 2019-2020            | \$ 38,950,930                        | \$ 18,264,673  | 46.89%  |
| 2020-2021            | 40,709,672                           | 18,560,837   | 45.59   |
| 2021-2022            | 41,416,456                           | 18,921,017   | 45.68   |
| 2022-2023            | 42,888,892                           | 19,343,293   | 45.10   |
| 2023-2024            | 43,536,959                           | 19,920,993   | 45.76   |
| 2024-2025 (Budgeted) | 45,170,787                           | 20,500,331   | 45.38   |
| 2025-2026 (Budgeted) | 48,893,943                           | 21,311,658   | 43.59   |

<sup>(1)</sup> General Fund only. Does not include interfund transfers nor appropriated fund balance.

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. This table is not audited.

## Largest Taxpayers 2024 for 2024-25 Tax Roll

| <u>Name</u>                      | <u>Type</u>            | <u>Taxable Full Valuation</u> |
|----------------------------------|------------------------|-------------------------------|
| National Grid                    | Utility                | \$24,197,756                  |
| CSX Transportation               | Railway Transportation | 4,022,657                     |
| Tall Pines Lakehaven Assoc., LLC | Mobile Home Park       | 2,948,600                     |
| Montroy, Carrie                  | Individual             | 2,614,600                     |
| Willow Run Inc.                  | Mobile Home Park       | 2,393,000                     |
| Hickory Hills Apts. Inc.         | Apartments             | 2,280,000                     |
| Chittenango Center Land LLC      | Commercial             | 2,115,400                     |
| Verizon NY, Inc.                 | Utility                | 1,607,305                     |
| Idlewood MHP, LLC                | Commercial             | 1,583,500                     |
| Storemaster Funding              | Commercial             | 1,511,800                     |

The ten larger taxpayers listed above have an estimated total full valuation of \$45,274,618, which represents 3.72% of the tax base of the District for the 2024-2025 fiscal year.

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

Source: District Tax Rolls.

## Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-70%; Commercial- 20%; and Agricultural-10%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$4,940 including County, or Town/Village and School District taxes.

## 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:

| <u>Towns of:</u> | <u>Enhanced Exemption</u> | <u>Basic Exemption</u> | <u>Date Certified</u> |
|------------------|---------------------------|------------------------|-----------------------|
| Cazenovia        | \$ 61,130                 | \$ 21,630              | 4/10/2025             |
| Lenox            | 58,550                    | 20,400                 | 4/10/2025             |
| Lincoln          | 55,100                    | 19,350                 | 4/10/2025             |
| Sullivan         | 59,840                    | 20,850                 | 4/10/2025             |
| Cicero           | 60,700                    | 21,150                 | 4/10/2025             |
| Manlius          | 86,100                    | 30,000                 | 4/10/2025             |

\$2,096,724 of the District’s \$20,413,331 school tax levy for 2024-25 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

Approximately \$2,100,000 of the District’s \$21,219,658 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.

## 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.

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

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

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

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

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

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



General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under “NATURE OF THE OBLIGATION,” 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.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See “TAX LEVY LIMITATION LAW” herein.

### **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. The School District has the power to contract indebtedness for any School District purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking 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 Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

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

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

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

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

The District complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the 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.

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

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. See “THE NOTES – Nature of the Obligation” and “TAX INFORMATION - Tax Levy Limitation Law” herein.

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

**Debt Outstanding End of Fiscal Years:**

| <u>Fiscal Years Ending June 30<sup>th</sup>:</u> | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      | <u>2023</u>      | <u>2024</u>    |
|--|------------------|------------------|------------------|------------------|----------------|
| Bonds  | \$ 9,510,000     | \$ 18,960,000    | \$ 17,880,000    | \$ 16,675,000    | \$ 15,410,000  |
| Bond Anticipation Notes                          | 15,210,461       | 2,049,194        | 1,532,004        | 1,497,548        | 1,519,429      |
| Other Debt <sup>(1)</sup>                        | <u>1,723,001</u> | <u>1,555,462</u> | <u>1,382,394</u> | <u>1,175,747</u> | <u>995,343</u> |
| Total Debt Outstanding                           | \$ 26,443,462    | \$ 22,564,656    | \$ 20,794,398    | \$ 19,348,295    | \$ 17,924,772  |

<sup>(1)</sup> Represents an energy performance contract. See “Capital Lease Obligation” herein.

**Details of Outstanding Indebtedness**

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

| <u>Type of Indebtedness</u>    | <u>Maturity</u>    | <u>Amount</u>                    |
|--------------------------------|--------------------|----------------------------------|
| <u>Bonds</u>                   | 2025-2044          | \$ 14,090,000                    |
| <u>Bond Anticipation Notes</u> |                    |                                  |
| Purchase of Buses              | July 11, 2025      | 1,663,382 <sup>(1)</sup>         |
| Capital Project                | July 11, 2025      | <u>17,500,000</u> <sup>(2)</sup> |
|                                | Total Indebtedness | <u>\$ 33,253,382</u>             |

<sup>(1)</sup> To be partially redeemed and renewed at maturity with the proceeds of the Series A Notes and along with \$425,382 available funds of the District.

<sup>(2)</sup> To be renewed in full at maturity with the proceeds of the Series B Notes.

**Debt Statement Summary**

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

|   |                  |
|---|------------------|
| Full Valuation of Taxable Real Property ..... | \$ 1,217,584,394 |
| Debt Limit 10% thereof .....                  | 121,758,439      |

Inclusions:

Bonds.....\$ 14,090,000

Bond Anticipation Notes (BANs):.....19,163,382

Total Inclusions prior to issuance of the Notes ..... 33,253,382

Less: BANs being redeemed from appropriations ..... (425,382)

Add: New money proceeds of the Notes ..... 4,459,169

Total Net Inclusions after issuance of the Notes ..... \$ 37,287,169

Exclusions:

State Building Aid <sup>(1)</sup> ..... \$ 0

Total Exclusions..... \$ 0

Total Net Indebtedness ..... \$ 37,287,169

Net Debt-Contracting Margin ..... \$ 84,471,270

The percent of debt contracting power exhausted is ..... 30.62%

<sup>(1)</sup> Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2025-26 Building Aid Ratios, the School District anticipates State Building aid of 85.7% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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

Note: The above debt statement summary does not include energy performance contracts outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

## Bonded Debt Service

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

## Cash Flow Borrowings

The District has not issued tax or revenue anticipation notes since the 2006-07 fiscal year. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes, or deficiency or budget notes, in the foreseeable future.

## Capital Project Plans

The District annually issues bond anticipation notes in July for the purchase of school buses, typically authorized by the District voters annually in May. The District currently has \$1,663,382 bond anticipation notes outstanding and maturing July 11, 2025 for the purchase of buses. On May 20, 2025 the District voters approved \$459,169 for the purchase of buses. The Series A Notes are being issued, along with \$425,382 available funds of the District to partially redeem and renew the bond anticipation notes maturing July 11, 2025 and provide \$459,169 new money for the purchase of buses.

On November 1, 2022 District voters approved a \$26,250,000 capital project authorizing the issuance of \$21,500,000 bonds and notes along with \$4,750,000 from the District’s reserve fund for infrastructure improvements, modernization of facilities and security enhancements throughout the District. The District currently has \$17,500,000 bond anticipation notes outstanding and maturing July 11, 2025 for the aforementioned purpose. The Series B Notes are being issued to renew in full the bond anticipation notes maturing July 11, 2025 and provide \$4,000,000 new money for the aforementioned project.

Other than as stated above, the District has no other projects authorized or contemplated at this time.

## Capital Lease Obligation

On January 24, 2014, the District entered into a \$2,627,000 energy performance contract for improvements to implement energy cost-saving techniques. The lease is for a 15-year period of time and requires annual principal and interest payment of approximately \$224,000, which began on January 1, 2015. The assets recorded under this capital lease approximated \$2,700,000 as of June 30, 2015. At June 30, 2022, \$1,382,394 of the capital lease obligation remained to be paid. Payments were revised on November 2, 2022 per a paydown made on October 31, 2022 by the District.

The following is a summary of obligations of government activities under capital lease payments:

| <u>Fiscal Year ended June 30<sup>th</sup>:</u> | <u>Total</u>      |
|--|-------------------|
| 2025   | \$ 186,357        |
| 2026   | 192,506           |
| 2027-2029                                      | 198,859           |
| 2028-2029                                      | <u>416,982</u>    |
| Total minimum lease payments:                  | <u>\$ 994,704</u> |

Source: District Records. See also, audited financial statement attached hereto as “APPENDIX – D”.

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## Estimated Overlapping Indebtedness

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

| <u>Municipality</u> | <u>Status of Debt as of</u> | <u>Gross Indebtedness</u> <sup>(1)</sup> | <u>Exclusions</u> <sup>(2)</sup> | <u>Net Indebtedness</u> | <u>District Share</u> | <u>Net Overlapping Indebtedness</u> |
|---------------------|-----------------------------|--|----------------------------------|-------------------------|-----------------------|-------------------------------------|
| County of:          |                             |  |                                  |                         |                       |                                     |
| Madison             | 10/31/2024                  | \$ 41,157,000 (3)                        | \$ 925,000                       | \$ 40,232,000           | 19.87%                | \$ 7,994,098                        |
| Onondaga            | 10/11/2024                  | 657,064,561 (3)                          | 399,666,273                      | 257,398,288             | 0.01%                 | 25,740                              |
| Town of:            |                             |  |                                  |                         |                       |                                     |
| Cazenovia           | 12/31/2023                  | 629,010 (4)                              | - (5)                            | 629,010                 | 1.39%                 | 8,743                               |
| Lenox               | 12/31/2023                  | 4,460,900 (4)                            | - (5)                            | 4,460,900               | 1.85%                 | 82,527                              |
| Lincoln             | 12/31/2023                  | 609,456 (4)                              | - (5)                            | 609,456                 | 1.01%                 | 6,156                               |
| Sullivan            | 12/31/2023                  | 7,058,300 (4)                            | - (5)                            | 7,058,300               | 90.92%                | 6,417,406                           |
| Cicero              | 6/25/2024                   | 8,660,000 (3)                            | 250,000                          | 8,410,000               | 0.01%                 | 841                                 |
| Manlius             | 12/31/2023                  | 60,000 (4)                               | - (5)                            | 60,000                  | 0.08%                 | 48                                  |
| Village of:         |                             |  |                                  |                         |                       |                                     |
| Chittenango         | 5/31/2022                   | 2,617,303 (4)                            | - (5)                            | 2,617,303               | 100.00%               | 2,617,303                           |
| Total:              |                             |  |                                  |                         |                       | <u>\$ 17,152,862</u>                |

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

## Debt Ratios

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

|   | <u>Amount</u> | <u>Per Capita</u> <sup>(a)</sup> | <u>Percentage of Full Value</u> <sup>(b)</sup> |
|---|---------------|----------------------------------|--|
| Net Indebtedness <sup>(c)</sup> .....                                   | \$ 37,287,169 | \$ 2,837.68                      | 3.06%  |
| Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> ..... | 54,440,031    | 4,143.08                         | 4.47   |

- (a) The 2023 population of the District is estimated to be 13,140. (See "THE SCHOOL DISTRICT - Population" herein.)
- (b) The District's full value of taxable real estate for the District's 2025 tax roll is \$1,217,584,394. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.
- (d) The District's applicable share of Net Overlapping Indebtedness is estimated to be \$17,152,862. (See "Estimated Overlapping Indebtedness" herein.)

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

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

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

## MARKET AND RISK FACTORS

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. Complete copies of the proposed forms of opinions of Bond Counsel is set forth in “APPENDIX – E & F”.

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

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

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

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

## **LEGAL MATTERS**

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

## **LITIGATION**

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

The District was the subject of two claims recently filed under the New York Child Victims Act. Both claims were settled out of court with no material impact on the District.

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

## INDIAN LITIGATION AND SETTLEMENT

From 1970 until March 2014, the County of Oneida was involved in extensive litigation against the Oneida Indians. This included land claims brought by three Oneida tribes which were both resolved, the smaller case by payment of \$8,360 plus interest made with state funds and the larger one by judgment in Oneida County's favor in 2011. Additionally, in the years 2005-2008, three more suits were commenced between Oneida County and the local Oneida tribe, known as the Oneida Indian Nation of New York. This litigation included a dispute over taxability of Nation-owned real property, the assessments of those parcels, and the US government's decision to accept some Nation-owned parcels into trust. Settlement of all pending litigation was reached between Oneida County, Madison County, the Nation and New York State in 2013, and became effective upon approval of Federal District Court Judge Kahn on March 4, 2014. There remains no pending litigation between Oneida County and the Oneida Indians. The settlement exempts Nation-owned parcels from property taxes, but on balance is expected to provide significant financial benefit to Oneida and Madison Counties. Specifically, its terms are summarized as follows:

### **Tribal Revenue Sharing with State and Local Governments and Gaming Exclusivity:**

Under the agreement, the Oneida Nation will receive exclusive rights to casino gaming in a ten county region of Central New York. In exchange, the Nation will devote 25% of its net gaming revenue from its slot machines to the State of New York. Based on current Oneida gaming revenues, that would be approximately \$50 million annually to the state. From the state share there would be distributed to Oneida County, as the host county, 25% of the state's payment annually and in addition Oneida County will receive \$2.5 million annually from the state share to settle back property tax claims. It is expected payments to Oneida County will commence in May 2014, totaling approximately \$15 million per year.

### **Settling Land into Trust**

Under the settlement, the Oneida Nation will agree to a permanent cap of approximately 25,000 acres of land which may be taken into trust by the Department of Interior as Nation land. New York State, Oneida County and Madison County withdrew their case challenging land into trust. The Nation expressly waives its rights of sovereignty over any land over the cap amount.

### **Ending Unfair Competition:**

The settlement requires the Oneida Nation to impose a Nation sales tax that equals or exceeds the State's and counties' sales, use and occupancy taxes. Under the agreement:

- The Nation sales tax would apply to all cigarettes, motor fuel, and all other sales by Indian retailers to non-Indians.
- The Nation must adhere to minimum pricing standards for cigarette products.
- The Nation must use sales tax revenues only for the same types of governmental programs to which the State and Counties devote their tax revenues.

It should be noted that a separate claim, brought by the Stockbridge-Munsee Tribe of Indians involving a much smaller amount of land in Oneida County, remains alive. The claim was dismissed in Federal District Court, for similar reasons as the Oneida claim dismissal, but an appeal is pending. Oneida County is optimistic that the dismissal will be upheld.

## CONTINUING DISCLOSURE

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

### **Historical Continuing Disclosure Compliance**

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



## **MUNICIPAL ADVISOR**

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

## **CUSIP IDENTIFICATION NUMBERS**

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

## **RATINGS**

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale upon approval by the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action may result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings.

The District does not currently have an underlying rating on any of its outstanding general obligation serial bonds, nor an issuer credit rating with S&P Global Ratings or Moody's Investors Service.

## **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 the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and 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", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases 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 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.

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.

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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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

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

The District contact information is as follows: Scott Mahardy, Assistant Superintendent for Business, Chittenango Central School District, 1732 Flyer Road, Chittenango, New York 13037, Phone: (315) 687-2850, , Email: [mahardys@ccs.cnyric.org](mailto:mahardys@ccs.cnyric.org).

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**

**Dated: June 19, 2025**

**GEOFFREY F. ZIMMER**  
**PRESIDENT OF THE BOARD OF EDUCATION**

**GENERAL FUND**

**Balance Sheets**

| Fiscal Years Ending June 30:               | <u><b>2020</b></u>          | <u><b>2021</b></u>          | <u><b>2022</b></u>          | <u><b>2023</b></u>          | <u><b>2024</b></u>          |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <u><b>ASSETS</b></u>                       |                             |                             |                             |                             |                             |
| Unrestricted Cash                          | \$ 1,952,483                | \$ 741,126                  | \$ 1,993,090                | \$ 35,493                   | \$ 1,061,805                |
| Restricted Cash                            | 8,744,544                   | 9,757,362                   | 9,666,259                   | 9,012,341                   | 5,029,641                   |
| Due from State & Federal Aid               | 928,764                     | 2,256,748                   | 1,559,760                   | 1,712,689                   | 1,480,276                   |
| Due from Other Funds                       | 919,834                     | 1,137,112                   | 2,046,731                   | 4,620,815                   | 2,589,299                   |
| Due from Fiduciary Funds                   | 79,941                      | -                           | -                           | -                           | -                           |
| Due from Other Governments                 | -                           | -                           | -                           | -                           | -                           |
| Other Receivable                           | 35,003                      | 10,267                      | 17,322                      | 7,324                       | 11,542                      |
|  | <u>35,003</u>               | <u>10,267</u>               | <u>17,322</u>               | <u>7,324</u>                | <u>11,542</u>               |
| <b>TOTAL ASSETS</b>                        | <u><u>\$ 12,660,569</u></u> | <u><u>\$ 13,902,615</u></u> | <u><u>\$ 15,283,162</u></u> | <u><u>\$ 15,388,662</u></u> | <u><u>\$ 10,172,563</u></u> |
| <u><b>LIABILITIES AND FUND EQUITY</b></u>  |                             |                             |                             |                             |                             |
| Accounts Payable                           | \$ 425,717                  | \$ 18,675                   | \$ 27,889                   | \$ 65,754                   | \$ 50,174                   |
| Accrued Liabilities                        | 438,700                     | 635,433                     | 1,170,103                   | 529,398                     | 1,025,251                   |
| Due to Other Funds                         | -                           | -                           | 74,854                      | 28,290                      | 352,181                     |
| Due to Fiduciary funds                     | -                           | -                           | -                           | -                           | -                           |
| Due to Other Governments                   | -                           | -                           | -                           | -                           | -                           |
| Due to Teachers' Retirement System         | 1,255,347                   | 1,393,495                   | 1,551,326                   | 1,708,507                   | 1,732,409                   |
| Due to Employees Retirement System         | 196,537                     | 232,507                     | 186,703                     | 213,442                     | 302,397                     |
| Deferred Revenue                           | -                           | -                           | -                           | -                           | -                           |
|  | <u>-</u>                    | <u>-</u>                    | <u>-</u>                    | <u>-</u>                    | <u>-</u>                    |
| <b>TOTAL LIABILITIES</b>                   | <u>2,316,301</u>            | <u>2,280,110</u>            | <u>3,010,875</u>            | <u>2,545,391</u>            | <u>3,462,412</u>            |
| <u><b>FUND EQUITY</b></u>                  |                             |                             |                             |                             |                             |
| Nonspendable                               | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        |
| Restricted                                 | 8,744,544                   | 9,757,362                   | 9,801,976                   | 9,012,341                   | 5,029,641                   |
| Assigned                                   | 49,799                      | 184,008                     | 1,405,128                   | 1,940,391                   | 221,502                     |
| Unassigned                                 | 1,549,925                   | 1,681,135                   | 1,065,183                   | 1,890,539                   | 1,459,008                   |
|  | <u>1,549,925</u>            | <u>1,681,135</u>            | <u>1,065,183</u>            | <u>1,890,539</u>            | <u>1,459,008</u>            |
| <b>TOTAL FUND EQUITY</b>                   | <u>10,344,268</u>           | <u>11,622,505</u>           | <u>12,272,287</u>           | <u>12,843,271</u>           | <u>6,710,151</u>            |
| <b>TOTAL LIABILITIES &amp; FUND EQUITY</b> | <u><u>\$ 12,660,569</u></u> | <u><u>\$ 13,902,615</u></u> | <u><u>\$ 15,283,162</u></u> | <u><u>\$ 15,388,662</u></u> | <u><u>\$ 10,172,563</u></u> |

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

| Fiscal Years Ending June 30:                   | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          | <u>2023</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>REVENUES</u>                                |                      |                      |                      |                      |                      |
| Real Property Taxes                            | \$ 14,727,243        | \$ 15,271,147        | \$ 15,763,726        | \$ 16,221,157        | \$ 16,772,088        |
| Other Tax Items                                | 3,157,712            | 2,993,526            | 2,797,111            | 2,699,860            | 2,571,205            |
| Charges for Services                           | 85,406               | 90,170               | 88,145               | 91,606               | 104,002              |
| Use of Money & Property                        | 122,610              | 179,972              | 274,402              | 322,824              | 516,807              |
| Sale of Property and<br>Compensation for Loss  | 64,007               | 80,014               | 91,883               | 251,532              | 392,935              |
| Miscellaneous                                  | 610,192              | 602,496              | 792,002              | 798,641              | 761,382              |
| Revenues from State Sources                    | 20,435,994           | 19,551,558           | 20,451,747           | 20,765,986           | 21,503,088           |
| Revenues from Federal Sources                  | 182,093              | 182,047              | 450,656              | 264,850              | 267,385              |
| Total Revenues                                 | <u>\$ 39,385,257</u> | <u>\$ 38,950,930</u> | <u>\$ 40,709,672</u> | <u>\$ 41,416,456</u> | <u>\$ 42,888,892</u> |
| Other Sources:                                 |                      |                      |                      |                      |                      |
| Interfund Transfers                            | <u>26,415</u>        | <u>-</u>             | <u>-</u>             | <u>733,910</u>       | <u>-</u>             |
| Total Revenues and Other Sources               | <u>39,411,672</u>    | <u>38,950,930</u>    | <u>40,709,672</u>    | <u>42,150,366</u>    | <u>42,888,892</u>    |
| <u>EXPENDITURES</u>                            |                      |                      |                      |                      |                      |
| General Support                                | \$ 3,745,585         | \$ 3,671,827         | \$ 3,765,044         | \$ 4,120,426         | \$ 3,959,760         |
| Instruction                                    | 18,188,181           | 18,769,177           | 18,915,090           | 19,475,828           | 20,134,785           |
| Pupil Transportation                           | 2,304,892            | 2,129,779            | 2,390,278            | 2,621,174            | 2,755,837            |
| Community Service                              | -                    | -                    | -                    | -                    | -                    |
| Employee Benefits                              | 10,985,852           | 11,291,060           | 11,490,583           | 11,708,191           | 12,185,781           |
| Debt Service                                   | 3,482,827            | 2,628,858            | 2,953,970            | 3,195,799            | 2,967,601            |
| Capital Outlay                                 | 106,109              | 194,810              | 22,821               | 379,166              | -                    |
| Total Expenditures                             | <u>\$ 38,813,446</u> | <u>\$ 38,685,511</u> | <u>\$ 39,537,786</u> | <u>\$ 41,500,584</u> | <u>\$ 42,003,764</u> |
| Other Uses:                                    |                      |                      |                      |                      |                      |
| Transfers to Other Funds                       | <u>2,789,140</u>     | <u>262,330</u>       | <u>235,116</u>       | <u>-</u>             | <u>314,144</u>       |
| Total Expenditures and Other Uses              | <u>41,602,586</u>    | <u>38,947,841</u>    | <u>39,772,902</u>    | <u>41,500,584</u>    | <u>42,317,908</u>    |
| Excess (Deficit) Revenues Over<br>Expenditures | <u>(2,190,914)</u>   | <u>3,089</u>         | <u>936,770</u>       | <u>649,782</u>       | <u>570,984</u>       |
| <u>FUND BALANCE</u>                            |                      |                      |                      |                      |                      |
| Fund Balance - Beginning of Year               | 12,532,093           | 10,341,179           | 10,344,268           | 11,622,505           | 12,272,287           |
| Prior Period Adjustments (net)                 | <u>-</u>             | <u>-</u>             | <u>341,467</u>       | <u>-</u>             | <u>-</u>             |
| Fund Balance - End of Year                     | <u>\$ 10,341,179</u> | <u>\$ 10,344,268</u> | <u>\$ 11,622,505</u> | <u>\$ 12,272,287</u> | <u>\$ 12,843,271</u> |

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

GENERAL FUND

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

| Fiscal Years Ending June 30:                   | 2024                 |                      |                      | 2025                 | 2026                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Adopted<br>Budget    | Modified<br>Budget   | Actual               | Adopted<br>Budget    | Adopted<br>Budget    |
| <b>REVENUES</b>                                |                      |                      |                      |                      |                      |
| Real Property Taxes                            | \$ 19,799,113        | \$ 17,324,112        | \$ 17,531,060        | \$ 20,413,331        | \$ 21,219,658        |
| Other Tax Items                                | 75,000               | 2,550,000            | 2,389,933            | 87,000               | 92,000               |
| Charges for Services                           | 71,500               | 71,500               | 75,864               | 75,500               | 76,000               |
| Use of Money & Property                        | 400,000              | 400,000              | 592,813              | 420,000              | 378,000              |
| Sale of Property and<br>Compensation for Loss  | 60,000               | 70,000               | 39,280               | 25,000               | 25,000               |
| Miscellaneous                                  | 546,000              | 546,000              | 785,708              | 520,000              | 497,000              |
| Revenues from State Sources                    | 22,107,173           | 22,107,173           | 21,892,316           | 23,269,956           | 26,306,285           |
| Revenues from Federal Sources                  | 550,000              | 550,000              | 229,985              | 360,000              | 300,000              |
| Total Revenues                                 | <u>\$ 43,608,786</u> | <u>\$ 43,618,785</u> | <u>\$ 43,536,959</u> | <u>\$ 45,170,787</u> | <u>\$ 48,893,943</u> |
| Other Sources:                                 |                      |                      |                      |                      |                      |
| Interfund Revenues                             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| Total Revenues and Other Sources               | <u>43,608,786</u>    | <u>43,618,785</u>    | <u>43,536,959</u>    | <u>45,170,787</u>    | <u>48,893,943</u>    |
| <b>EXPENDITURES</b>                            |                      |                      |                      |                      |                      |
| General Support                                | \$ 4,475,463         | \$ 4,296,861         | \$ 4,192,864         | \$ 4,592,737         | \$ 4,599,956         |
| Instruction                                    | 21,321,543           | 21,942,197           | 21,650,918           | 22,607,077           | 23,692,077           |
| Pupil Transportation                           | 2,903,821            | 2,962,494            | 2,916,766            | 3,035,572            | 3,171,823            |
| Community Service                              | -                    | -                    | -                    | -                    | -                    |
| Employee Benefits                              | 13,704,585           | 13,195,692           | 13,149,718           | 14,363,965           | 14,580,945           |
| Debt Service                                   | 2,884,183            | 2,936,102            | 2,874,183            | 3,204,039            | 4,915,379            |
| Capital Outlay                                 | -                    | -                    | -                    | -                    | -                    |
| Total Expenditures                             | <u>\$ 45,289,595</u> | <u>\$ 45,333,346</u> | <u>\$ 44,784,449</u> | <u>\$ 47,803,390</u> | <u>\$ 50,960,180</u> |
| Other Uses:                                    |                      |                      |                      |                      |                      |
| Transfers to Other Funds                       | <u>130,750</u>       | <u>122,250</u>       | <u>4,885,630</u>     | <u>130,750</u>       | <u>130,750</u>       |
| Total Expenditures and Other Uses              | <u>45,420,345</u>    | <u>45,455,596</u>    | <u>49,670,079</u>    | <u>47,934,140</u>    | <u>51,090,930</u>    |
| Excess (Deficit) Revenues Over<br>Expenditures | <u>(1,811,559)</u>   | <u>(1,836,811)</u>   | <u>(6,133,120)</u>   | <u>(2,763,353)</u>   | <u>(2,196,987)</u>   |
| <b>FUND BALANCE</b>                            |                      |                      |                      |                      |                      |
| Fund Balance - Beginning of Year               | 1,811,559            | 1,836,811            | 12,843,271           | 2,763,353            | 2,196,987            |
| Prior Period Adjustments (net)                 | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| Fund Balance - End of Year                     | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ 6,710,151</u>  | <u>\$ -</u>          | <u>\$ -</u>          |

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

**BONDED DEBT SERVICE**

| Fiscal Year<br>Ending<br>June 30th | Principal            | Interest            | Total                |
|------------------------------------|----------------------|---------------------|----------------------|
| 2025                               | \$ 1,320,000         | \$ 697,800          | \$ 2,017,800         |
| 2026                               | 1,080,000            | 638,150             | 1,718,150            |
| 2027                               | 1,130,000            | 588,450             | 1,718,450            |
| 2028                               | 1,190,000            | 531,950             | 1,721,950            |
| 2029                               | 1,250,000            | 472,450             | 1,722,450            |
| 2030                               | 1,305,000            | 409,950             | 1,714,950            |
| 2031                               | 1,190,000            | 344,700             | 1,534,700            |
| 2032                               | 1,065,000            | 285,200             | 1,350,200            |
| 2033                               | 1,115,000            | 231,950             | 1,346,950            |
| 2034                               | 1,170,000            | 176,200             | 1,346,200            |
| 2035                               | 1,220,000            | 127,400             | 1,347,400            |
| 2036                               | 305,000              | 76,500              | 381,500              |
| 2037                               | 235,000              | 62,100              | 297,100              |
| 2038                               | 240,000              | 55,050              | 295,050              |
| 2039                               | 245,000              | 47,850              | 292,850              |
| 2040                               | 255,000              | 40,500              | 295,500              |
| 2041                               | 260,000              | 32,850              | 292,850              |
| 2042                               | 270,000              | 25,050              | 295,050              |
| 2043                               | 280,000              | 16,950              | 296,950              |
| 2044                               | 285,000              | 8,550               | 293,550              |
| <b>TOTALS</b>                      | <b>\$ 15,410,000</b> | <b>\$ 4,869,600</b> | <b>\$ 20,279,600</b> |

Note: Above chart does not include energy performance contract debt service.

CURRENT BONDS OUTSTANDING

| Fiscal Year<br>Ending<br>June 30th | 2011A                   |           |            |
|------------------------------------|-------------------------|-----------|------------|
|                                    | DASNY - Captial Project |           |            |
|                                    | Principal               | Interest  | Total      |
| 2025                               | \$ 285,000              | \$ 14,250 | \$ 299,250 |
| TOTALS                             | \$ 285,000              | \$ 14,250 | \$ 299,250 |

| Fiscal Year<br>Ending<br>June 30th | 2016E                   |              |              | 2021A                   |              |               |
|------------------------------------|-------------------------|--------------|--------------|-------------------------|--------------|---------------|
|                                    | DASNY - Captial Project |              |              | DASNY - Captial Project |              |               |
|                                    | Principal               | Interest     | Total        | Principal               | Interest     | Total         |
| 2025                               | \$ 400,000              | \$ 261,050   | \$ 661,050   | \$ 635,000              | \$ 422,500   | \$ 1,057,500  |
| 2026                               | 420,000                 | 241,050      | 661,050      | 660,000                 | 397,100      | 1,057,100     |
| 2027                               | 440,000                 | 224,350      | 664,350      | 690,000                 | 364,100      | 1,054,100     |
| 2028                               | 460,000                 | 202,350      | 662,350      | 730,000                 | 329,600      | 1,059,600     |
| 2029                               | 485,000                 | 179,350      | 664,350      | 765,000                 | 293,100      | 1,058,100     |
| 2030                               | 505,000                 | 155,100      | 660,100      | 800,000                 | 254,850      | 1,054,850     |
| 2031                               | 350,000                 | 129,850      | 479,850      | 840,000                 | 214,850      | 1,054,850     |
| 2032                               | 185,000                 | 112,350      | 297,350      | 880,000                 | 172,850      | 1,052,850     |
| 2033                               | 190,000                 | 103,100      | 293,100      | 925,000                 | 128,850      | 1,053,850     |
| 2034                               | 200,000                 | 93,600       | 293,600      | 970,000                 | 82,600       | 1,052,600     |
| 2035                               | 210,000                 | 83,600       | 293,600      | 1,010,000               | 43,800       | 1,053,800     |
| 2036                               | 220,000                 | 73,100       | 293,100      | 85,000                  | 3,400        | 88,400        |
| 2037                               | 235,000                 | 62,100       | 297,100      | -                       | -            | -             |
| 2038                               | 240,000                 | 55,050       | 295,050      | -                       | -            | -             |
| 2039                               | 245,000                 | 47,850       | 292,850      | -                       | -            | -             |
| 2040                               | 255,000                 | 40,500       | 295,500      | -                       | -            | -             |
| 2041                               | 260,000                 | 32,850       | 292,850      | -                       | -            | -             |
| 2042                               | 270,000                 | 25,050       | 295,050      | -                       | -            | -             |
| 2043                               | 280,000                 | 16,950       | 296,950      | -                       | -            | -             |
| 2044                               | 285,000                 | 8,550        | 293,550      | -                       | -            | -             |
| TOTALS                             | \$ 6,135,000            | \$ 2,147,750 | \$ 8,282,750 | \$ 8,990,000            | \$ 2,707,600 | \$ 11,697,600 |

## MATERIAL EVENT NOTICES

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

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

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

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

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



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

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

The School District has agreed to provide, or 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 aforescribed material event notices, if any, on or before the date specified.

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

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

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

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**CHITTENANGO CENTRAL SCHOOL DISTRICT  
MADISON AND ONONDAGA COUNTIES, NEW YORK**

**AUDITED FINANCIAL STATEMENTS**

**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.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

**CHITTENANGO  
CENTRAL SCHOOL DISTRICT**

**SINGLE AUDIT REPORTING PACKAGE**

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

**June 30, 2024**

# CHITTENANGO CENTRAL SCHOOL DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Chittenango Central School District  
Chittenango, New York

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chittenango 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 Chittenango Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chittenango 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 Chittenango Central School District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis (md&a); schedule of changes in the district's total OPEB liability and related ratios; schedule of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual- general fund; schedule of district contributions; and schedule of district's proportionate share of the net pension asset (liability)* on pages 4–11 and 52-55, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chittenango Central School District's basic financial statements. The *schedule of change from adopted to final budget and the real property tax limit- general fund, the schedule of project expenditures – capital projects fund, net investment in capital assets* and the *schedule of expenditures of federal awards*, as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* on pages 56-58 and page 64, respectively, 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

*Grossman St Amour CPAs*

Syracuse, New York  
October 8, 2024



**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

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The following is a discussion and analysis of the Chittenango Central School District's (the District) financial performance for the fiscal year ended June 30, 2024. The section is a summary of the 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. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

### **Financial Highlights**

- The District's total liabilities decreased approximately \$1,420,126. The primary drivers of the decrease are an decrease in the net pension liability of approximately \$1,813,000 due to changes in assumptions and economic fluctuations used in the current year valuation.
- The District's government-wide net deficit increased by approximately \$645,314 because of this year's operations. The majority of this decrease is related to impacts due to current economic conditions, including decreases in federal sources and increasing costs.

### **Overview of the 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 District:

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

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

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

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

|   | District-Wide  | Governmental Funds  |
|---|--|---|
| Scope   | Entire District (except fiduciary funds)   | The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance  |
| Required financial statements   | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>  |
| Accounting basis and measurement focus  | Accrual accounting and economic resources focus  | Modified accrual accounting and current financial focus   |
| Type of asset/ deferred outflow of resources/ liability/ deferred inflow of resources information | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term. | Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included |
| Type of inflow/outflow information  | All revenues and expenses during year, regardless of when cash is received or paid   | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable   |

**District-Wide Statements**

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

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**District-Wide Statements (continued)**

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

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

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

**Fund Financial Statements**

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has Governmental Funds:

- The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. Included are the general fund, special-aid fund, school lunch fund, capital projects fund and debt service fund.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 3) of the District's governmental activities.

The District's combined net deficit increased by \$645,314 from a year ago – decreasing from \$62,807,166 to \$63,452,480, primarily as a result of fluctuations in operating grants received during the fiscal year.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (continued)**

**Table 1**  
**Condensed Statement of Net Position**

|  | District-Wide |                | Percent<br>Change |
|--|---------------|----------------|-------------------|
|  | 2024          | 2023           |                   |
| Current and other assets   | \$ 13,145,580 | \$ 16,665,267  | -21.12%           |
| Capital assets   | 65,050,539    | 62,372,262     | 4.29%             |
| Total assets   | 78,196,119    | 79,037,529     | -1.06%            |
| Deferred outflow of resources  | 17,012,815    | 23,008,668     | -26.06%           |
| Total assets and deferred outflow of resources                             | \$ 95,208,934 | \$ 102,046,197 | -6.70%            |
| Current liabilities  | \$ 8,919,237  | \$ 7,564,388   | 17.91%            |
| Noncurrent liabilities   | 115,370,260   | 116,332,424    | -0.83%            |
| Net pension liability  | 3,673,809     | 5,486,620      | -33.04%           |
| Total liabilities  | 127,963,306   | 129,383,432    | -1.10%            |
| Deferred inflow of resources   | 30,698,108    | 35,469,931     | -13.45%           |
| Net position (deficit):  |               |                |                   |
| Net investment in capital assets   | 44,207,025    | 39,899,083     | 10.80%            |
| Restricted   | 8,966,119     | 12,722,396     | -29.52%           |
| Unrestricted net deficit   | (116,625,624) | (115,428,645)  | 1.04%             |
| Total net position (deficit)   | (63,452,480)  | (62,807,166)   | 1.03%             |
| Total Liabilities, Deferred Inflow of Resources and Net Position (Deficit) | \$ 95,208,934 | \$ 102,046,197 | -6.70%            |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (continued)**

**Table 2**  
**Changes in Net Position (Deficit) from Operating Results**

|                                    | District-Wide |                | Percent  |
|------------------------------------|---------------|----------------|----------|
|                                    | 2024          | 2023           | Change   |
| <b>REVENUES</b>                    |               |                |          |
| Program revenues:                  |               |                |          |
| Charges for services               | \$ 199,048    | \$ 415,585     | -52.10%  |
| Operating grants and contributions | 2,983,987     | 3,086,699      | -3.33%   |
| General revenues:                  |               |                |          |
| Property taxes and other tax items | 19,920,993    | 19,343,293     | 2.99%    |
| State sources                      | 23,004,607    | 22,562,433     | 1.96%    |
| Medicaid reimbursement             | 218,112       | 267,385        | -18.43%  |
| Other general revenues (expenses)  | 1,640,371     | (231,090)      | -809.84% |
| Total revenues                     | 47,967,118    | 45,444,305     | 5.55%    |
| <b>PROGRAM EXPENSES</b>            |               |                |          |
| General support                    | 7,371,890     | 7,555,970      | -2.44%   |
| Instruction                        | 35,435,470    | 33,865,139     | 4.64%    |
| Transportation                     | 4,135,240     | 4,043,464      | 2.27%    |
| Debt service                       | 624,487       | 649,174        | -3.80%   |
| School lunch program               | 1,045,345     | 835,491        | 25.12%   |
| Total expenses                     | 48,612,432    | 46,949,238     | 3.54%    |
| (Increase) Decrease in net deficit | \$ (645,314)  | \$ (1,504,933) | 57.12%   |

In Table 2, the District's total revenues increased by \$2,522,813, and the total cost of all programs and services increased by \$1,663,194. Some of the variances causing these fluctuations are described below:

Other general revenues increased \$1,871,461, primarily due to the prior year loss on the sale of Lake Street Elementary School. Further, instruction expenses increased \$1,570,000, due primarily to increases in salary and benefit expenses.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

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**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (continued)**

Table 3 presents the cost of each of the District's largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**  
**Governmental Activities**

|                      | Total cost of services |                      | Net cost of (revenue from) services |                      |
|----------------------|------------------------|----------------------|-------------------------------------|----------------------|
|                      | 2024                   | 2023                 | 2024                                | 2023                 |
| General support      | \$ 7,371,890           | \$ 7,555,970         | \$ 7,371,890                        | \$ 7,555,970         |
| Instruction          | 35,435,470             | 33,865,139           | 33,477,208                          | 31,369,053           |
| Pupil transportation | 4,135,240              | 4,043,464            | 4,135,240                           | 4,043,464            |
| Debt service         | 624,487                | 649,174              | 624,487                             | 649,174              |
| School lunch program | 1,045,345              | 835,491              | (179,428)                           | (170,704)            |
| <b>Total</b>         | <b>\$ 48,612,432</b>   | <b>\$ 46,949,238</b> | <b>\$ 45,429,397</b>                | <b>\$ 43,446,957</b> |

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

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

The purpose of the District's governmental funds is to account for and provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The District has designated portions of the unreserved fund balance to earmark resources for certain government-wide liabilities and postemployment obligations that are not recognized in the governmental funds. Fund balances for capital projects are restricted by State law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

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**General Fund Budgetary Highlights**

The budgetary comparison information on page 53 presents both adopted and final modified budget totals compared with actual results for the General Fund for the year ended June 30, 2024. The significant variances between the adopted and the final budget for 2024 were as follows:

|                                    |                             |
|------------------------------------|-----------------------------|
| Adopted budget                     | \$ 45,420,345               |
| Board approved budget adjustments: | -                           |
| 2023 Additional Appropriations:    |                             |
| Encumbrances Carryover             | <u>35,251</u>               |
| Final budget                       | <u><u>\$ 45,455,596</u></u> |

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of 2024, the District had \$65,050,539 invested in a broad range of capital assets, including equipment and buildings. Table 4 categorically illustrates the District's capital assets net of related depreciation.

**Table 4**  
**Capital Assets at Year End (Net of Depreciation)**

|                                | Capital Assets              |                             | Percent<br>Change |
|--------------------------------|-----------------------------|-----------------------------|-------------------|
|                                | 2024                        | 2023                        |                   |
| Land                           | \$ 1,233,554                | \$ 1,233,554                | 0.00%             |
| Buildings and improvements     | 70,242,202                  | 65,685,867                  | 6.94%             |
| Equipment                      | 42,796,315                  | 42,273,026                  | 1.24%             |
| Construction in progress       | 2,812,072                   | 2,720,097                   | 3.38%             |
| Less: accumulated depreciation | <u>(52,033,604)</u>         | <u>(49,540,282)</u>         | 5.03%             |
| Total                          | <u><u>\$ 65,050,539</u></u> | <u><u>\$ 62,372,262</u></u> | <u>4.29%</u>      |

**Long-Term Obligations**

At year-end, the District had approximately \$121.6 million in long-term obligations compared to approximately \$125 million last year, a decrease of 2.74% as shown in Table 5.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

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**Long-Term Obligations** (continued)

**Table 5**  
**Outstanding Long-term Obligations, at Year End**

|                                       | District-Wide         |                       | Percent<br>Change |
|---------------------------------------|-----------------------|-----------------------|-------------------|
|                                       | 2024                  | 2023                  |                   |
| General obligation bonds              | \$ 18,329,381         | \$ 19,800,525         | -7.43%            |
| Finance type lease obligation         | 994,704               | 1,175,107             | -15.35%           |
| Other postemployment benefits payable | 98,277,943            | 98,161,354            | 0.12%             |
| Net pension liabilities               | 3,673,809             | 5,486,620             | -33.04%           |
| Workers compensation                  | 108,356               | 194,756               | -44.36%           |
| Compensated absences                  | 234,247               | 227,409               | 3.01%             |
| Total long term obligations           | <u>\$ 121,618,440</u> | <u>\$ 125,045,771</u> | <u>-2.74%</u>     |

The decrease is the result of changes to the assumptions used to measure other postemployment benefit obligations payable and net pension liabilities. The state limits the amount of general obligation debt that Districts can issue to 10% of the assessed value of all taxable property within the District's geographic limits. The District's outstanding general obligation debt of \$18.3 million is below the state-imposed debt limit. More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.

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

- The District's OPEB (other postemployment benefits) liability actuarially calculated for the current year resulted in a net increase in the District's liability of approximately, \$116,600. The main factor contributing to the increase were the changes in the actuarial assumptions.
- At June 30, 2024, the District had exhausted 28.39% of its constitutional debt limit.
- Since the District successfully entered the Central New York Health Insurance Cooperative, the cost of health insurance has stabilized but may rise in the future.
- Employer contributions for Teachers' Retirement System and Employees' Retirement System may continue to fluctuate.
- As a result of New York State settling the Oneida Indian Nation claim, the Chittenango Central School District continues to analyze the impact of nation land being put into the land trust. The potential impact means \$121,000 in annual real property taxes will have to be redistributed to other taxpayers within the District. The District will continue to monitor and disclose loss of assessed property valuation as the Oneida Indian Nation continues to purchase property.
- The District is carefully evaluating the State of New York's decision that beginning in 2027 buses must be electric and the entire fleet be zero emissions by 2035. We are currently calculating the financial impact this will have on taxpayers based on the current information available.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District Business Office at 1732 Fyler Road, Chittenango, New York 13037.



## CHITTENANGO CENTRAL SCHOOL DISTRICT

## Statement of Net Position

June 30, 2024

|   |                      |
|---|----------------------|
| <b>ASSETS</b>   |                      |
| Cash  |                      |
| Unrestricted  | \$ 1,119,213         |
| Restricted  | 8,910,908            |
| Receivables   |                      |
| State and federal aid   | 3,056,679            |
| Other   | 16,544               |
| Inventories   | 42,236               |
| Capital assets, net   | 65,050,539           |
|   |                      |
| Total assets  | <u>78,196,119</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>  |                      |
| Other postemployment benefits   | 8,284,604            |
| Pensions  | 8,728,211            |
| Total deferred outflow of resources   | <u>17,012,815</u>    |
|   |                      |
| Total assets and deferred outflows of resources                             | <u>\$ 95,208,934</u> |
| <b>LIABILITIES</b>  |                      |
| Accounts payable  | \$ 1,661,018         |
| Accrued liabilities   | 1,113,747            |
| Due to other governments  | 314                  |
| Due to teachers' retirement system  | 1,732,409            |
| Due to employees' retirement system   | 317,949              |
| Notes payable   |                      |
| Bond anticipation   | 1,519,429            |
| Long-term liabilities   |                      |
| Due and payable within one year   |                      |
| Bonds payable   | 1,526,144            |
| Finance type lease obligation   | 186,357              |
| Other postemployment benefits payable                                       | 861,870              |
| Due and payable after one year  |                      |
| Bonds payable   | 16,803,237           |
| Finance type lease obligation   | 808,347              |
| Other postemployment benefits payable                                       | 97,416,073           |
| Compensated absences payable  | 234,247              |
| Workers compensation  | 108,356              |
| Net pension liability- proportionate share                                  | 3,673,809            |
|   |                      |
| Total liabilities   | <u>127,963,306</u>   |
| <b>DEFERRED INFLOW OF RESOURCES</b>   |                      |
| Pensions  | 2,028,309            |
| Other postemployment benefits   | 28,669,799           |
| Total deferred inflow of resources  | <u>30,698,108</u>    |
| <b>NET POSITION (DEFICIT)</b>   |                      |
| Net investment in capital assets  | 44,207,025           |
| Restricted  | 8,966,119            |
| Unrestricted (deficit)  | <u>(116,625,624)</u> |
|   |                      |
| Total net deficit   | <u>(63,452,480)</u>  |
|   |                      |
| Total liabilities, deferred inflows of resources and net position (deficit) | <u>\$ 95,208,934</u> |

See notes to basic financial statements

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2024**

|  | Expenses               | Indirect<br>Expenses<br>Allocation | Program Revenues        |                     | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|--|------------------------|------------------------------------|-------------------------|---------------------|--|
|  |                        |                                    | Charges for<br>Services | Operating<br>Grants |  |
| <b>FUNCTIONS/PROGRAMS</b>                  |                        |                                    |                         |                     |  |
| General support                            | \$ (5,803,471)         | \$ (1,568,419)                     | \$ -                    | \$ -                | \$ (7,371,890)   |
| Instruction                                | (25,110,047)           | (10,325,423)                       | 75,864                  | 1,882,407           | (33,477,199)   |
| Pupil transportation                       | (2,958,926)            | (1,176,314)                        | -                       | -                   | (4,135,240)  |
| Employee benefits                          | (13,174,062)           | 13,174,062                         | -                       | -                   | -  |
| Debt service - interest                    | (624,487)              | -                                  | -                       | -                   | (624,487)  |
| School lunch program                       | (941,439)              | (103,906)                          | 123,184                 | 1,101,589           | 179,428  |
| Total functions and programs               | <u>\$ (48,612,432)</u> | <u>\$ -</u>                        | <u>\$ 199,048</u>       | <u>\$ 2,983,996</u> | <u>(45,429,388)</u>  |
| <b>GENERAL REVENUES</b>                    |                        |                                    |                         |                     |  |
| Real property taxes                        |                        |                                    |                         |                     | 17,531,060   |
| Other real property tax items              |                        |                                    |                         |                     | 2,389,933  |
| Use of money and property                  |                        |                                    |                         |                     | 816,543  |
| Sale of property and compensation for loss |                        |                                    |                         |                     | 29,381   |
| State sources                              |                        |                                    |                         |                     | 23,004,598   |
| Medicaid reimbursement                     |                        |                                    |                         |                     | 218,112  |
| Miscellaneous                              |                        |                                    |                         |                     | <u>794,447</u>   |
| Total general revenues                     |                        |                                    |                         |                     | <u>44,784,074</u>  |
| Change in net position                     |                        |                                    |                         |                     | (645,314)  |
| Total net deficit - beginning of year      |                        |                                    |                         |                     | <u>(62,807,166)</u>  |
| Total net deficit - end of year            |                        |                                    |                         |                     | <u>\$ (63,452,480)</u>                                     |

See notes to basic financial statements

**CHITTENANGO CENTRAL SCHOOL DISTRICT**

**Balance Sheet - Governmental Funds**

**June 30, 2024**

|                                       | <b>Major Funds</b>   |                        |                         |                                  | <b>Non-Major Fund</b>        | <b>Total</b>                  |
|---------------------------------------|----------------------|------------------------|-------------------------|----------------------------------|------------------------------|-------------------------------|
|                                       | <b>General</b>       | <b>Special<br/>Aid</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects Fund</b> | <b>School Lunch<br/>Fund</b> | <b>Governmental<br/>Funds</b> |
| <b>ASSETS</b>                         |                      |                        |                         |                                  |                              |                               |
| Cash                                  |                      |                        |                         |                                  |                              |                               |
| Unrestricted                          | \$ 1,061,805         | \$ -                   | \$ -                    | \$ -                             | \$ 57,408                    | \$ 1,119,213                  |
| Restricted                            | 5,029,641            | 31,609                 | 3,772,244               | 77,414                           | -                            | 8,910,908                     |
| Receivables                           |                      |                        |                         |                                  |                              |                               |
| State and federal aid                 | 1,480,276            | 1,495,540              | -                       | -                                | 80,863                       | 3,056,679                     |
| Due from other funds                  | 2,589,299            | 2,109                  | -                       | 2,854                            | 347,218                      | 2,941,480                     |
| Other                                 | 11,542               | -                      | -                       | -                                | 5,002                        | 16,544                        |
| Inventories                           | -                    | -                      | -                       | -                                | 42,236                       | 42,236                        |
| Total assets                          | <u>\$ 10,172,563</u> | <u>\$ 1,529,258</u>    | <u>\$ 3,772,244</u>     | <u>\$ 80,268</u>                 | <u>\$ 532,727</u>            | <u>\$ 16,087,060</u>          |
| <b>LIABILITIES</b>                    |                      |                        |                         |                                  |                              |                               |
| Accounts payable                      | \$ 50,174            | \$ 1,349               | \$ -                    | \$ 1,609,495                     | \$ -                         | \$ 1,661,018                  |
| Accrued liabilities                   | 1,025,251            | 5,775                  | -                       | -                                | 31,865                       | 1,062,891                     |
| Due to other funds                    | 352,181              | 1,522,134              | -                       | 1,067,165                        | -                            | 2,941,480                     |
| Due to other governments              | -                    | -                      | -                       | -                                | 314                          | 314                           |
| Due to teachers' retirement system    | 1,732,409            | -                      | -                       | -                                | -                            | 1,732,409                     |
| Due to employees' retirement system   | 302,397              | -                      | -                       | -                                | 15,552                       | 317,949                       |
| Notes payable                         |                      |                        |                         |                                  |                              |                               |
| Bond anticipation                     | -                    | -                      | -                       | 1,519,429                        | -                            | 1,519,429                     |
| Total liabilities                     | <u>3,462,412</u>     | <u>1,529,258</u>       | <u>-</u>                | <u>4,196,089</u>                 | <u>47,731</u>                | <u>9,235,490</u>              |
| <b>FUND BALANCES</b>                  |                      |                        |                         |                                  |                              |                               |
| <b>Nonspendable:</b>                  |                      |                        |                         |                                  |                              |                               |
| Reserved for inventory                | -                    | -                      | -                       | -                                | 42,236                       | 42,236                        |
| <b>Restricted for:</b>                |                      |                        |                         |                                  |                              |                               |
| Reserved for tax certiorari           | 133,431              | -                      | -                       | -                                | -                            | 133,431                       |
| Reserved for workers' compensation    | 400,000              | -                      | -                       | -                                | -                            | 400,000                       |
| Reserved for unemployment insurance   | 119,833              | -                      | -                       | -                                | -                            | 119,833                       |
| Reserved for retirement contributions | 2,700,104            | -                      | -                       | -                                | -                            | 2,700,104                     |
| Reserved for capital expenditures     | 8,884                | -                      | -                       | -                                | -                            | 8,884                         |
| Reserved for repairs                  | 1,105,789            | -                      | -                       | -                                | -                            | 1,105,789                     |
| Reserved for employee benefits        | 375,000              | -                      | -                       | -                                | -                            | 375,000                       |
| Reserved for debt service             | -                    | -                      | 3,772,244               | -                                | -                            | 3,772,244                     |
| Reserved for scholarships             | 186,600              | -                      | -                       | -                                | -                            | 186,600                       |
| <b>Committed to:</b>                  |                      |                        |                         |                                  |                              |                               |
| Committed fund balance                | 164,234              | -                      | -                       | -                                | -                            | 164,234                       |
| <b>Assigned to:</b>                   |                      |                        |                         |                                  |                              |                               |
| Assigned unappropriated fund balance  | 57,268               | -                      | -                       | -                                | 442,760                      | 500,028                       |
| <b>Unassigned:</b>                    |                      |                        |                         |                                  |                              |                               |
| Unassigned fund balance               | 1,459,008            | -                      | -                       | (4,115,821)                      | -                            | (2,656,813)                   |
| Total fund balances                   | <u>6,710,151</u>     | <u>-</u>               | <u>3,772,244</u>        | <u>(4,115,821)</u>               | <u>484,996</u>               | <u>6,851,570</u>              |
| Total liabilities and fund balances   | <u>\$ 10,172,563</u> | <u>\$ 1,529,258</u>    | <u>\$ 3,772,244</u>     | <u>\$ 80,268</u>                 | <u>\$ 532,727</u>            | <u>\$ 16,087,060</u>          |

See notes to basic financial statements

**CHITTENANGO CENTRAL SCHOOL DISTRICT**

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

**June 30, 2024**

|   | Total<br>Governmental<br>Funds | Long-term<br>Assets,<br>Liabilities | Reclassifications<br>and<br>Eliminations | Statement of<br>Net Position<br>Totals |
|---|--------------------------------|-------------------------------------|--|--|
| <b>ASSETS</b>   |                                |                                     |  |  |
| Cash  |                                |                                     |  |  |
| Unrestricted  | \$ 1,119,213                   | \$ -                                | \$ -                                     | \$ 1,119,213                           |
| Restricted  | 8,910,908                      | -                                   | -  | 8,910,908                              |
| Receivables   |                                |                                     |  |  |
| State and federal aid                                     | 3,056,679                      | -                                   | -  | 3,056,679                              |
| Due from other funds                                      | 2,941,480                      | -                                   | (2,941,480)                              | -                                      |
| Other   | 16,544                         | -                                   | -  | 16,544                                 |
| Inventories   | 42,236                         | -                                   | -  | 42,236                                 |
| Capital assets, net                                       | -                              | 65,050,539                          | -  | 65,050,539                             |
|   |                                |                                     |  |  |
| Total assets  | 16,087,060                     | 65,050,539                          | (2,941,480)                              | 78,196,119                             |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                     |                                |                                     |  |  |
| Other postemployment benefits                             | -                              | 8,284,604                           | -  | 8,284,604                              |
| Pensions  | -                              | 8,728,211                           | -  | 8,728,211                              |
|   |                                |                                     |  |  |
| Total deferred outflows of resources                      | -                              | 17,012,815                          | -  | 17,012,815                             |
|   |                                |                                     |  |  |
| Total assets and deferred outflows of resources           | \$ 16,087,060                  | \$ 82,063,354                       | \$ (2,941,480)                           | \$ 95,208,934                          |
| <b>LIABILITIES</b>  |                                |                                     |  |  |
| Payables  |                                |                                     |  |  |
| Accounts payable  | \$ 1,661,018                   | \$ -                                | \$ -                                     | \$ 1,661,018                           |
| Accrued liabilities                                       | 1,062,891                      | 50,856                              | -  | 1,113,747                              |
| Due to other funds  | 2,941,480                      | -                                   | (2,941,480)                              | -                                      |
| Due to other governments                                  | 314                            | -                                   | -  | 314                                    |
| Due to employees' retirement system                       | 317,949                        | -                                   | -  | 317,949                                |
| Due to teachers' retirement system                        | 1,732,409                      | -                                   | -  | 1,732,409                              |
| Notes payable   |                                |                                     |  |  |
| Bond anticipation   | 1,519,429                      | -                                   | -  | 1,519,429                              |
| Long-term debt-due within one year                        |                                |                                     |  |  |
| Bonds payable   | -                              | 1,526,144                           | -  | 1,526,144                              |
| Capital lease obligation                                  | -                              | 186,357                             | -  | 186,357                                |
| Other postemployment benefits payable                     | -                              | 861,870                             | -  | 861,870                                |
| Long-term debt-due in more than one year                  |                                |                                     |  |  |
| Bonds payable   | -                              | 16,803,237                          | -  | 16,803,237                             |
| Capital lease obligation                                  | -                              | 808,347                             | -  | 808,347                                |
| Other postemployment benefits payable                     | -                              | 97,416,073                          | -  | 97,416,073                             |
| Workers compensation                                      | -                              | 108,356                             | -  | 108,356                                |
| Compensated absences                                      | -                              | 234,247                             | -  | 234,247                                |
| Net pension liability- proportionate share                | -                              | 3,673,809                           | -  | 3,673,809                              |
|   |                                |                                     |  |  |
| Total liabilities   | 9,235,490                      | 121,669,296                         | (2,941,480)                              | 127,963,306                            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                      |                                |                                     |  |  |
| Pensions  | -                              | 2,028,309                           | -  | 2,028,309                              |
| Other postemployment benefits                             | -                              | 28,669,799                          | -  | 28,669,799                             |
|   |                                |                                     |  |  |
| Total deferred inflows of resources                       | -                              | 30,698,108                          | -  | 30,698,108                             |
| <b>FUND BALANCE/NET POSITION (DEFICIT)</b>                |                                |                                     |  |  |
| Total fund balance/net position (deficit)                 | 6,851,570                      | (70,304,050)                        | -  | (63,452,480)                           |
|   |                                |                                     |  |  |
| Total liabilities and fund balance/net position (deficit) | \$ 16,087,060                  | \$ 82,063,354                       | \$ (2,941,480)                           | \$ 95,208,934                          |

See notes to basic financial statements

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

|  | <b>Major Funds</b> |             |              |                       | <b>Non-Major Fund</b> |                    |
|--|--------------------|-------------|--------------|-----------------------|-----------------------|--------------------|
|  | General            | Special Aid | Debt Service | Capital Projects Fund | School Lunch Fund     | Governmental Funds |
| <b>REVENUES</b>  |                    |             |              |                       |                       |                    |
| Real property taxes  | \$ 17,531,060      | \$ -        | \$ -         | \$ -                  | \$ -                  | \$ 17,531,060      |
| Other real property tax items  | 2,389,933          | -           | -            | -                     | -                     | 2,389,933          |
| Charges for services   | 75,864             | -           | -            | -                     | -                     | 75,864             |
| Use of money and property  | 592,813            | -           | 215,917      | 7,813                 | -                     | 816,543            |
| Sale of property and compensation for loss   | 39,280             | -           | -            | -                     | -                     | 39,280             |
| State sources  | 21,904,189         | 1,100,409   | -            | -                     | 433,458               | 23,438,056         |
| Sales  | -                  | -           | -            | -                     | 123,184               | 123,184            |
| Miscellaneous  | 785,708            | -           | -            | -                     | 8,739                 | 794,447            |
| Federal sources  | 218,112            | 1,882,407   | -            | -                     | 668,131               | 2,768,650          |
| Total revenues   | 43,536,959         | 2,982,816   | 215,917      | 7,813                 | 1,233,512             | 47,977,017         |
| <b>EXPENDITURES</b>  |                    |             |              |                       |                       |                    |
| General support  | 4,069,202          | -           | -            | 61,669                | -                     | 4,130,871          |
| Instruction  | 21,650,918         | 2,922,132   | -            | -                     | -                     | 24,573,050         |
| Pupil transportation   | 2,916,766          | 34,645      | -            | -                     | -                     | 2,951,411          |
| School lunch program   | -                  | -           | -            | -                     | 940,038               | 940,038            |
| Employee benefits  | 13,149,718         | -           | -            | -                     | 103,906               | 13,253,624         |
| Debt service   |                    |             |              |                       |                       |                    |
| Principal  | 2,037,350          | -           | -            | -                     | -                     | 2,037,350          |
| Interest   | 836,833            | -           | -            | -                     | -                     | 836,833            |
| Capital outlay   | 123,662            | -           | -            | 5,248,790             | 6,429                 | 5,378,881          |
| Total expenditures   | 44,784,449         | 2,956,777   | -            | 5,310,459             | 1,050,373             | 54,102,058         |
| Finance type lease obligation  |                    |             |              |                       |                       |                    |
| Excess (deficiency) of revenues over expenditures                                    | (1,247,490)        | 26,039      | 215,917      | (5,302,646)           | 183,139               | (6,125,041)        |
| <b>OTHER FINANCING SOURCES AND USES</b>  |                    |             |              |                       |                       |                    |
| BANs redeemed from appropriations  | -                  | -           | -            | 591,947               | -                     | 591,947            |
| Interfund transfers, net   | (4,885,630)        | (26,039)    | -            | 4,911,669             | -                     | -                  |
| Total other sources (uses)   | (4,885,630)        | (26,039)    | -            | 5,503,616             | -                     | 591,947            |
| Excess (deficiency) of revenues and other sources over expenditures and other (uses) | (6,133,120)        | -           | 215,917      | 200,970               | 183,139               | (5,533,094)        |
| Fund balance - beginning of year   | 12,843,271         | -           | 3,556,327    | (4,316,791)           | 301,857               | 12,384,664         |
| Fund balance - end of year   | \$ 6,710,151       | \$ -        | \$ 3,772,244 | \$ (4,115,821)        | \$ 484,996            | \$ 6,851,570       |

See notes to basic financial statements

**CHITTENANGO CENTRAL SCHOOL DISTRICT**

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

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

|   | Total<br>Governmental<br>Funds | Long-term<br>Revenue,<br>Expenses | Capital<br>Related<br>Items | Long-term<br>Debt<br>Transactions | Statement of<br>Activities<br>Totals |
|---|--------------------------------|-----------------------------------|-----------------------------|-----------------------------------|--------------------------------------|
| <b>REVENUES</b>   |                                |                                   |                             |                                   |                                      |
| Real property taxes   | \$ 17,531,060                  | \$ -                              | \$ -                        | \$ -                              | \$ 17,531,060                        |
| Other real property tax items                                 | 2,389,933                      | -                                 | -                           | -                                 | 2,389,933                            |
| Charges for services  | 75,864                         | -                                 | -                           | -                                 | 75,864                               |
| Use of money and property                                     | 816,543                        | -                                 | -                           | -                                 | 816,543                              |
| Sale of property and<br>compensation for loss                 | 39,280                         | -                                 | (9,899)                     | -                                 | 29,381                               |
| State sources   | 23,438,056                     | -                                 | -                           | -                                 | 23,438,056                           |
| Federal sources   | 2,768,650                      | -                                 | -                           | -                                 | 2,768,650                            |
| Sales - school lunch  | 123,184                        | -                                 | -                           | -                                 | 123,184                              |
| Miscellaneous   | 794,447                        | -                                 | -                           | -                                 | 794,447                              |
| <b>Total revenues</b>   | <b>47,977,017</b>              | <b>-</b>                          | <b>(9,899)</b>              | <b>-</b>                          | <b>47,967,118</b>                    |
| <b>EXPENDITURES/EXPENSES</b>                                  |                                |                                   |                             |                                   |                                      |
| General support   | 4,130,871                      | (225,195)                         | 1,416,217                   | 481,578                           | 5,803,471                            |
| Instruction   | 24,573,050                     | (1,482,534)                       | 1,096,676                   | 922,855                           | 25,110,047                           |
| Pupil transportation  | 2,951,411                      | (168,896)                         | 176,411                     | -                                 | 2,958,926                            |
| School lunch program  | 940,038                        | -                                 | 1,401                       | -                                 | 941,439                              |
| Employee benefits   | 13,253,624                     | (79,562)                          | -                           | -                                 | 13,174,062                           |
| Debt service  | 2,874,183                      | -                                 | -                           | (2,249,696)                       | 624,487                              |
| Capital outlay  | 5,378,881                      | -                                 | (5,378,881)                 | -                                 | -                                    |
| <b>Total expenditures/expenses</b>                            | <b>54,102,058</b>              | <b>(1,956,187)</b>                | <b>(2,688,176)</b>          | <b>(845,263)</b>                  | <b>48,612,432</b>                    |
| Excess (deficiency) of revenues<br>over expenditures/expenses | <b>(6,125,041)</b>             | <b>1,956,187</b>                  | <b>2,678,277</b>            | <b>845,263</b>                    | <b>(645,314)</b>                     |
| <b>OTHER SOURCES AND USES</b>                                 |                                |                                   |                             |                                   |                                      |
| BANs redeemed from appropriations                             | 591,947                        | -                                 | -                           | (591,947)                         | -                                    |
| Finance type lease obligation                                 |                                |                                   |                             |                                   |                                      |
| Total other sources (uses)                                    | 591,947                        | -                                 | -                           | (591,947)                         | -                                    |
| <b>Net change for the year</b>                                | <b>\$ (5,533,094)</b>          | <b>\$ 1,956,187</b>               | <b>\$ 2,678,277</b>         | <b>\$ 253,316</b>                 | <b>\$ (645,314)</b>                  |

See notes to basic financial statements

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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

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

A) Reporting entity:

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

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

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

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 for various student organizations in the General Fund.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

B) Joint venture:

The District is a component district in Onondaga-Cortland-Madison Board of Cooperative Education Services (OCMBOCES). There are 23 participating school districts, including Chittenango Central School District, in OCMBOCES. The participation in OCMBOCES is accounted for as a joint venture by the District since it has both an ongoing financial interest and an ongoing financial responsibility to OCMBOCES. The District has an ongoing financial interest since OCMBOCES pays surpluses to the component districts on an annual basis, although the District has no equity interest in OCMBOCES. The District does not control the financial or operating policies of OCMBOCES; however, it has an ongoing financial responsibility since the continued existence of OCMBOCES depends on continued funding from the participating school districts.

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

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

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

During the year, the District was billed \$4,118,858 for OCMBOCES administrative and program costs. The District's share of OCMBOCES aid amounted to \$1,488,591. Financial statements for the BOCES are available from the BOCES administrative office. As of June 30, 2023 (the most recent available audited financial statements), OCMBOCES has a total net position (deficit) of \$(190,871,739).

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



**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

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. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

ii) Fund financial statements:

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

The District reports the following governmental funds, all reported as major, unless otherwise stated:

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 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, breakfast and milk programs. This fund is non-major.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

C) Basis of presentation (continued):

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

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

D) Measurement focus and basis of accounting:

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is appropriated 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 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. Generally, capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under finance type leases are reported as other financing sources.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

E) Property taxes:

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

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 expenditure 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. 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 5 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H) Estimates:

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

I) Cash and investments:

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

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

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

J) Accounts receivable:

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

L) Other assets/restricted assets:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

L) Other assets/restricted assets (continued):

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 historical costs. Donated assets are reported at estimated fair market value at the time received. Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

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

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's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

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 four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

N) Deferred Outflows and Inflows of Resources (continued):

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 third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O) Unearned and deferred revenue:

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

P) Vested employee benefits:

Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. The 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 No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end. In the fund statements only, the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. The amounts are expensed on a pay-as-you go basis.

Q) Other Benefits:

Eligible district employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. In addition to providing pension benefits, the District provides post-employment health 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 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.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

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.

The following is a summary of changes in short-term debt for the year ended June 30, 2024:

|                  |                            |
|------------------|----------------------------|
| Balance, July 1  | \$ 1,497,548               |
| Increases        | 1,519,429                  |
| Decreases        | <u>(1,497,548)</u>         |
| Balance, June 30 | <u><u>\$ 1,519,429</u></u> |

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

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

T) Fund Balance classifications:

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

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

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

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

Fund 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 the inventory recorded in the School Lunch Fund of \$42,236.

**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:

Debt Service Reserve Fund

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

Employee Benefit Accrued Liability Reserve Fund

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



**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

T) Fund Balance classifications (continued):

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

Unemployment Insurance 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.

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.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

T) Fund Balance classifications (continued):

Tax Certiorari Reserve Fund

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

Workers' Compensation Reserve Fund

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

Repair Reserve Funds

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

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.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

T) Fund Balance classifications (continued):

Restricted fund balance includes the following:

| Description                                    |                     |
|--|---------------------|
| <b>General fund</b>                            |                     |
| Capital expenditures reserve                   | \$ 8,884            |
| Workers' compensation reserve                  | 400,000             |
| Unemployment insurance reserve                 | 119,833             |
| Reserve for employee benefit accrual liability | 375,000             |
| Reserve for retirement contributions           | 2,700,104           |
| Reserve for repairs                            | 1,105,789           |
| Reserve for tax certiorari                     | 133,431             |
| Reserved for scholarships                      | 186,600             |
| <b>Debt service fund</b>                       |                     |
| Reserve for repayments of debt service         | 3,772,244           |
|  | <u>\$ 8,801,885</u> |

**Committed** – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the districts highest level of decision-making authority, i.e., the Board of Education. The District has committed fund balance of \$164,234 for Extraclassroom Activities in the General Fund 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 amounts 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. Encumbrances reported in the General Fund amounted to \$57,268. Any remaining fund balance in other funds is considered assigned. The School Lunch Fund also reports assigned fund balance of \$442,760. As of June 30, 2024, the District's General Fund encumbrances were classified as follows:

|                   |                  |
|-------------------|------------------|
| General Support   | \$ 33,908        |
| Instruction       | 21,050           |
| Employee benefits | <u>2,310</u>     |
|                   | <u>\$ 57,268</u> |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

T) Fund Balance classifications (continued):

**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.

New York State 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 also 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 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 resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance 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:

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

U) New accounting standards:

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

GASB has issued Statement No. 99, Omnibus 2022. This statement addresses a variety of topics, including derivative instruments, leases, public-private and public-public partnership arrangements ("PPP's"), subscription based information technology arrangements ("SBITAs"), London interbank offered rate ("LIBOR"), and pledges of future revenues. Many of the requirements are effective immediately.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 - Summary of Certain Significant Accounting Policies (continued)**

U) New accounting standards (continued):

The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal year ending June 30, 2024.

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

V) Future changes in accounting standards:

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

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

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

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

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

Due to the differences in the measurement focus and basis of accounting used in the funds 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.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other postemployment benefits. The reconciliation is performed on Page 15.

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

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

i) Long-term revenue differences:

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

ii) Capital related differences:

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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

Budgets: The District administration prepares a proposed budget for approval by the Board of Education, which in turn is either approved or disapproved by eligible voters in the District. The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line 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.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the aggregate encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024. Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

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

The Capital Projects fund had a deficit fund balance of \$4,115,821. This will be funded when the District obtains permanent financing for its current construction project.

**Note 4 – Cash and Cash Equivalents**

Total financial institution bank balances at year-end, per the bank, were \$10,442,527. These deposits are insured or collateralized with securities held by the financial institution in the District's name. Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$5,029,641 restricted for various fund balance reserves in the general fund, \$31,609 restricted for special aid funds, \$77,414 restricted for capital projects and \$3,772,244 restricted for repayment of long-term bonds in the debt service fund.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2024 all deposits were fully insured and collateralized by the District's agent in the District's name.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 4 – Cash and Cash Equivalents (continued)**

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

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

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

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

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

**External Investment Pool:** The District participates in an external investment pool, the New York Cooperative Liquid Assets Securities System (NYCLASS). NYCLASS was established in September 1989, as a cooperative investment arrangement organized under the NYCLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. NYCLASS is available for investment by any New York State Municipal Corporation or District. NYCLASS operates like a money market mutual fund with shares valued at \$1.00. NYCLASS is administered by an elected governing board of up to fifteen members. A board member must be either a participant's chief fiscal officer, other designated officer, or employee of the participant who has knowledge and expertise in financial matters. The board invests cooperative funds only in securities that are legal for public funds investment in New York.

The board limits these investments to repurchase agreements collateralized 102% with U.S. Treasury securities and agency securities backed by the full faith and credit of the U.S. Government, U.S. Treasury bills and notes, obligations of the State of New York, collateralized bank deposits, and other U.S. government guaranteed obligations. NYCLASS measures its investments at fair value in accordance with GASB standards.



**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 4 – Cash and Cash Equivalents (continued)**

NYCLASS reports the amortized cost of investments to participants, which approximates fair value. NYCLASS is rated by S&P Global Ratings and the current rating was AAAM as of March 28, 2023, whereby AAAM is defined as extremely strong capacity to maintain principal stability and limit exposure to principal losses due to credit market and/or liquidity risks. As of June 30, 2024, the District's investment in NYCLASS totaled \$4,239,557 (\$3,708,510 in the general fund and \$531,047 debt service fund) which are included in cash and cash equivalents. Financial statements, independently audited, of NYCLASS are available from NYCLASS at [www.newyorkclass.org](http://www.newyorkclass.org)

**Note 5 – Interfund balances and activity**

Interfund transactions and balances are as follows:

|                             | Interfund           |                     | Interfund           |                     |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
|                             | Receivable          | Payable             | Revenues            | Expenditures        |
| General Fund                | \$ 2,589,299        | \$ 352,181          | \$ 26,039           | \$ 4,911,669        |
| Special Aid Fund            | 2,109               | 1,522,134           | -                   | 26,039              |
| School Lunch Fund           | 347,218             | -                   | -                   | -                   |
| Debt Service Fund           | -                   | -                   | -                   | -                   |
| Capital Projects Fund       | 2,854               | 1,067,165           | 4,911,669           | -                   |
| Total government activities | <u>\$ 2,941,480</u> | <u>\$ 2,941,480</u> | <u>\$ 4,937,708</u> | <u>\$ 4,937,708</u> |

The District typically transfers from the General Fund to the Capital Fund to help fund capital renovations and additions. The District also transfers from the General Fund to the Special Aid fund the local portion of the Special Education Summer School Program. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All Interfund payables are expected to be repaid within one year.

During 2023-24, the Special Aid Fund transferred \$26,039 to the General Fund to reimburse excess transfers in prior years related to the local portion of the delivery of certain educational services. In addition, General Fund transferred \$4,911,669 to the Capital Projects Fund to cover the cost of certain emergency capital expenditures (\$100,000), for BAN issuance costs and interest payments (\$61,669) and to liquidate the reserve for capital expenditures (\$4,750,000).

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 6 - Capital Assets**

Capital asset balances and activity were as follows:

|  | Beginning<br>Balance | Additions           | Deletions/<br>Reclassifications | Ending<br>Balance    |
|--|----------------------|---------------------|---------------------------------|----------------------|
| Governmental activities:                 |                      |                     |                                 |                      |
| Capital assets that are not depreciated: |                      |                     |                                 |                      |
| Land                                     | \$ 1,233,554         | \$ -                | \$ -                            | \$ 1,233,554         |
| Construction in progress                 | 2,720,097            | 5,248,790           | (5,156,815)                     | 2,812,072            |
| Total nondepreciable                     | <u>3,953,651</u>     | <u>5,248,790</u>    | <u>(5,156,815)</u>              | <u>4,045,626</u>     |
| Capital assets that are depreciated:     |                      |                     |                                 |                      |
| Buildings                                | 65,685,867           | 4,556,335           | -                               | 70,242,202           |
| Furniture and equipment                  | 42,273,026           | 730,571             | (207,282)                       | 42,796,315           |
| Total depreciable assets                 | <u>107,958,893</u>   | <u>5,286,906</u>    | <u>(207,282)</u>                | <u>113,038,517</u>   |
| Less accumulated depreciation:           |                      |                     |                                 |                      |
| Buildings                                | (38,340,996)         | (1,737,971)         | -                               | (40,078,967)         |
| Furniture and equipment                  | (11,199,286)         | (952,734)           | 197,383                         | (11,954,637)         |
| Total accumulated depreciation           | <u>(49,540,282)</u>  | <u>(2,690,705)</u>  | <u>197,383</u>                  | <u>(52,033,604)</u>  |
| Total depreciated assets, net            | <u>\$ 62,372,262</u> | <u>\$ 7,844,991</u> | <u>\$ (5,166,714)</u>           | <u>\$ 65,050,539</u> |

Depreciation expense was charged to  
governmental functions as follows:

|                      |                     |
|----------------------|---------------------|
| General support      | \$ 1,416,217        |
| Instruction          | 1,096,676           |
| Pupil transportation | 176,411             |
| School lunch program | 1,401               |
|                      | <u>\$ 2,690,705</u> |

**Note 7 – Short-Term Debt**

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

|                                 | Beginning<br>Balance | Issued              | Redeemed            | Ending<br>Balance   |
|---------------------------------|----------------------|---------------------|---------------------|---------------------|
| BAN maturing 7/14/2023 at 3.50% | \$ 1,497,548         | \$ -                | \$ 1,497,548        | \$ -                |
| BAN maturing 7/12/2024 at 4.07% | -                    | 1,519,429           | -                   | 1,519,429           |
|                                 | <u>\$ 1,497,548</u>  | <u>\$ 1,519,429</u> | <u>\$ 1,497,548</u> | <u>\$ 1,519,429</u> |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 7 – Short-Term Debt (continued)**

Interest incurred on short-term debt for the year is summarized below:

|   |                  |
|---|------------------|
| Interest paid                             | \$ 52,414        |
| Less interest accrued in the prior year   | (52,414)         |
| Plus interest accrued in the current year | <u>61,669</u>    |
| Total expense                             | <u>\$ 61,669</u> |

**Note 8 - Long-Term Obligations**

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

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

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

|  | Beginning<br>Balance  | Issued              | Redeemed             | Ending<br>Balance     | Amounts Due<br>Within One Year |
|--|-----------------------|---------------------|----------------------|-----------------------|--------------------------------|
| Governmental activities                  |                       |                     |                      |                       |                                |
| Bonds payable                            | \$ 19,800,525         | \$ -                | \$ 1,471,144         | \$ 18,329,381         | \$ 1,526,144                   |
| Long term finance type lease obligation  | 1,175,107             | -                   | 180,403              | 994,704               | 186,357                        |
| Other obligations                        |                       |                     |                      |                       |                                |
| Other postemployment<br>benefits payable | 98,161,354            | 7,264,931           | 7,148,342            | 98,277,943            | 861,870                        |
| Net pension liability                    | 5,486,620             | -                   | 1,812,811            | 3,673,809             | -                              |
| Workers compensation                     | 194,756               | -                   | 86,400               | 108,356               | -                              |
| Compensated absences                     | <u>227,409</u>        | <u>6,838</u>        | <u>-</u>             | <u>234,247</u>        | <u>-</u>                       |
| Total long-term obligations              | <u>\$ 125,045,771</u> | <u>\$ 7,271,769</u> | <u>\$ 10,699,100</u> | <u>\$ 121,618,440</u> | <u>\$ 2,574,371</u>            |

Interest incurred on long-term debt for the year is summarized below:

|   |                   |
|---|-------------------|
| Interest paid                             | \$ 793,950        |
| Less interest accrued in the prior year   | (57,058)          |
| Plus interest accrued in the current year | <u>50,856</u>     |
| Total expense                             | <u>\$ 787,748</u> |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 8 - Long-Term Obligations (continued)**

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

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

| <u>Payable from/ Description</u> | <u>Date of<br/>Original<br/>Issue</u> | <u>Original<br/>Amount</u> | <u>Date of<br/>Final<br/>Maturity</u> | <u>Interest<br/>Rate (%)</u> | <u>Outstanding<br/>Amount</u> |
|----------------------------------|---------------------------------------|----------------------------|---------------------------------------|------------------------------|-------------------------------|
| Serial Bonds                     | 6/28/2011                             | \$ 2,900,000               | 6/15/2025                             | 3.00-5.00%                   | \$ 285,000                    |
| Serial Bonds                     | 6/15/2016                             | \$ 8,650,000               | 6/15/2044                             | 2.00-5.00%                   | 6,135,000                     |
| Serial Bonds-Premium             | 6/15/2016                             | \$ 1,336,955               | 6/15/2044                             | NA                           | 980,434                       |
| Serial Bonds-Premium             | 6/16/2021                             | \$ 2,423,684               | 6/15/2036                             | NA                           | 1,938,947                     |
| Serial Bonds                     | 6/16/2021                             | \$ 10,670,000              | 6/15/2036                             | 4.00-5.00%                   | <u>8,990,000</u>              |
|                                  |                                       |                            |                                       |                              | <u>\$ 18,329,381</u>          |

Effective June 15, 2016, the District issued serial bonds of \$8,650,000. This issuance resulted in a premium in the amount of \$1,336,955 to be amortized over the period through 2044. At June 30, 2024, \$980,434 remains to be amortized.

Effective June 16, 2021, the District issued serial bonds of \$10,670,000. This issuance resulted in a premium in the amount of \$2,423,684 to be amortized over the period through 2036. At June 30, 2024, \$1,938,947 remains to be amortized.

The District entered into a finance type lease for improvements to implement energy cost-saving techniques. The lease is for a 15-year period of time and requires annual principal and interest payments of approximately \$224,000, beginning on January 1, 2015. At June 30, 2024, the net book value of assets under this lease approximated \$963,233. At June 30, 2024, \$994,704 of the finance type lease obligation remains to be paid.

The following is a schedule of finance type lease obligations outstanding at June 30, 2024:

| <u>Payable from/ Description</u> | <u>Date of<br/>Original<br/>Issue</u> | <u>Original<br/>Amount</u> | <u>Date of<br/>Final<br/>Maturity</u> | <u>Interest<br/>Rate (%)</u> | <u>Outstanding<br/>Amount</u> |
|----------------------------------|---------------------------------------|----------------------------|---------------------------------------|------------------------------|-------------------------------|
| Finance type obligation          | 1/24/2014                             | \$ 2,627,000               | 1/1/2029                              | 3.30%                        | \$ 994,704                    |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 8 - Long-Term Obligations (continued)**

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

| Fiscal year ended June 30, | Principal            | Premium             | Interest            | Total                |
|----------------------------|----------------------|---------------------|---------------------|----------------------|
| 2025                       | \$ 1,506,357         | \$ 206,144          | \$ 730,646          | \$ 2,443,147         |
| 2026                       | 1,272,506            | 206,144             | 664,847             | 2,143,497            |
| 2027                       | 1,328,859            | 206,144             | 608,794             | 2,143,797            |
| 2028                       | 1,395,421            | 206,144             | 545,732             | 2,147,297            |
| 2029                       | 1,461,561            | 206,144             | 479,453             | 2,147,158            |
| 2030-34                    | 5,845,000            | 1,030,721           | 1,448,000           | 8,323,721            |
| 2035-39                    | 2,245,000            | 545,984             | 368,900             | 3,159,884            |
| 2040-44                    | 1,350,000            | 222,826             | 123,900             | 1,696,726            |
| 2045-49                    | -                    | 89,130              | -                   | 89,130               |
| Totals                     | <u>\$ 16,404,704</u> | <u>\$ 2,919,381</u> | <u>\$ 4,970,272</u> | <u>\$ 24,294,357</u> |

**Note 9 – Pension obligations**

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 9 – Pension Obligations (continued)**

Plan Descriptions and Benefits Provided (continued)

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](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

|           | <u>NYSTRS</u> | <u>NYSERS</u> |
|-----------|---------------|---------------|
| 2023-2024 | \$ 1,708,507  | \$ 881,184    |
| 2022-2023 | 1,551,326     | 707,203       |
| 2021-2022 | 1,393,495     | 822,803       |

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.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Obligations (continued)**

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

|  | ERS           | TRS          |
|--|---------------|--------------|
| Actuarial valuation date   | 4/1/2023      | 6/30/2022    |
| Net pension asset/ (liability)   | (\$2,724,180) | \$ (949,629) |
| District's portion of the Plan's total<br>net pension asset/ (liability) | 0.0185016%    | 0.083040%    |

For the year ended June 30, 2024, the District recognized its proportionate share of pension expense of \$1,294,710 for ERS and the actuarial value \$2,657,695 for TRS. At June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred outflow of<br>resources |                    | Deferred inflow of resources |                     |
|---|----------------------------------|--------------------|------------------------------|---------------------|
|   | TRS                              | ERS                | TRS                          | ERS                 |
| Differences between expected<br>and actual experience   | \$ 2,302,599                     | \$ 877,456         | \$ 5,691                     | \$ 74,281           |
| Changes of assumption   | 2,044,524                        | 1,029,951          | 445,593                      | -                   |
| Net difference between projected and<br>actual earnings on pension plan investments                                       | 485,432                          | -                  | -                            | 1,330,747           |
| Changes in proportion and differences between<br>the District's contributions and proportionate<br>share of contributions | 17,129                           | 262,613            | 161,244                      | 10,753              |
| District's contribution subsequent to the<br>measurement date   | 1,708,507                        | -                  | -                            | -                   |
| Total   | <u>\$6,558,191</u>               | <u>\$2,170,020</u> | <u>\$ 612,528</u>            | <u>\$ 1,415,781</u> |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Obligations (continued)**

District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension asset/ (liability) in the year ending 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 follow:

| Year ended: | ERS               | TRS                 |
|-------------|-------------------|---------------------|
| 2024        | \$ -              | \$ 348,261          |
| 2025        | (406,948)         | (526,258)           |
| 2026        | 591,179           | 3,796,664           |
| 2027        | 839,152           | 262,257             |
| 2028        | (269,144)         | 214,508             |
| Thereafter  | -                 | 141,724             |
|             | <u>\$ 754,239</u> | <u>\$ 4,237,156</u> |

**Actuarial Assumptions**

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

|                          | ERS  | TRS  |
|--------------------------|--|--|
| Measurement date         | March 31, 2024   | June 30, 2023  |
| Actuarial valuation date | April 1, 2023  | June 30, 2022  |
| Interest rate            | 5.90%  | 6.95%  |
| Salary increases         | 4.40%  | 1.95%-5.18%  |
| Decrement tables         | April 1, 2015-<br>March 31, 2020<br>System's<br>Experience | July 1, 2015-<br>June 30, 2020<br>System's<br>Experience |
| Inflation rate           | 2.90%  | 2.40%  |

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on 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.



**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Obligations (continued)**

**Actuarial Assumptions (continued)**

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 completed April 1, 2020.

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

| Asset Type                 | ERS                  |   | TRS                  |   |
|----------------------------|----------------------|---|----------------------|---|
|                            | Target<br>Allocation | Long-term<br>expected<br>Real rate of<br>return | Target<br>Allocation | Long-term<br>expected<br>Real rate of<br>return |
|                            |                      |   |                      |   |
|                            |                      |   |                      |   |
|                            | 2024                 | 2024  | 2023                 | 2023  |
| Domestic equity            | 32%                  | 4.00%   | 33%                  | 6.80%   |
| International equity       | 15%                  | 6.65%   | 15%                  | 7.60%   |
| Real estate equity         | 9%                   | 4.60%   | 11%                  | 6.30%   |
| Private equities           | 10%                  | 7.25%   | 9%                   | 10.10%  |
| Fixed income               | 23%                  | 1.50%   | 0%                   | 0.00%   |
| Credit                     | 4%                   | 5.40%   | 0%                   | 0.00%   |
| Global equities            | 0%                   | 0.00%   | 4%                   | 7.20%   |
| Domestic fixed income      | 0%                   | 0.00%   | 16%                  | 2.20%   |
| Global bonds               | 0%                   | 0.00%   | 2%                   | 1.60%   |
| High-yield bonds           | 0%                   | 0.00%   | 1%                   | 4.40%   |
| Opportunistic portfolio    | 3%                   | 5.25%   | 0%                   | 0.00%   |
| Cash/cash equivalents      | 1%                   | 0.25%   | 1%                   | 0.30%   |
| Private debt               | 0%                   | 0.00%   | 2%                   | 6.00%   |
| Absolute return strategies | 0%                   | 0.00%   | 0%                   | 0.00%   |
| Real assets                | 3%                   | 5.79%   | 0%                   | 0.00%   |
| Real estate debt           | 0%                   | 0.00%   | 6%                   | 3.20%   |
|                            | <u>100%</u>          |   | <u>100%</u>          |   |

Real rates of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

\*Excludes equity- oriented and long-only funds. For investment management purposes, these funds are included in domestic equities and international equities, respectively.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Obligations (continued)**

**Discount Rate**

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

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2024 calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

| ERS  | 1%<br>Decrease<br>(4.9%)  | Current<br>Assumption<br>(5.9%)  | 1%<br>Increase<br>(6.9%)  |
|--|---------------------------|----------------------------------|---------------------------|
| Employer's proportionate share<br>of the net pension asset (liability) | <u>\$ (8,565,100)</u>     | <u>\$ (2,724,180)</u>            | <u>\$ 2,154,200</u>       |
| TRS  | 1%<br>Decrease<br>(5.95%) | Current<br>Assumption<br>(6.95%) | 1%<br>Increase<br>(7.95%) |
| Employer's proportionate share<br>of the net pension asset (liability) | <u>\$ (14,463,337)</u>    | <u>\$ (949,629)</u>              | <u>\$ 10,415,983</u>      |

**Changes of Assumptions**

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

**Collective Pension Expense**

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2024 is \$6,345,061,000 for ERS and \$3,249,497,237 for TRS.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 9 – Pension Obligations (continued)**

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 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 \$354,659 of employer contributions. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$1,732,409.

**Note 10 – Postemployment benefit obligations payable**

*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 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 Statement 75.

*Funding Policy-* The obligation of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees 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 \$3,160,000 was paid on behalf of 299 retirees, beneficiaries and spouses of 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:

|                                      |            |
|--------------------------------------|------------|
| Retirees, spouses, and beneficiaries | 299        |
| Active employees                     | 349        |
|                                      | <u>648</u> |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 10 – Post-Employment Benefit Obligations Payable (continued)**

The District's total OPEB liability of \$98,277,943 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

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

|                             |  |
|-----------------------------|--|
| Inflation                   | 2.40%  |
| Salary Increases            | Varied by years of service<br>and retirement systems |
| Discount Rate               | 3.93%  |
| Healthcare Cost Trend Rates | 3.8% to 6.8% over 55 years                           |

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

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale AA.

Retirement participation rate assumed that 85% of eligible Teachers and Instructional Administrators and 75% of participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 48% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

Changes in the District's net OPEB liability were as follows:

|  |                      |
|--|----------------------|
| Balance at June 30, 2023                 | <u>\$ 98,161,354</u> |
| <u>Changes for the Year</u>              |                      |
| Service cost                             | 3,600,166            |
| Interest                                 | 3,664,765            |
| Effect of demographic gains or losses    | -                    |
| Effects of assumptions changes or inputs | (4,409,847)          |
| Benefit payments                         | <u>(2,738,495)</u>   |
| Net Changes                              | <u>116,589</u>       |
| Balance at June 30, 2024                 | <u>\$ 98,277,943</u> |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 10 – Post-Employment Benefit Obligations Payable (continued)**

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% 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 or 1 percentage point higher than the current discount rate.

**Change in Discount Rate**

|                      | <u>1% Decrease</u>    | <u>Current Trend<br/>Rates</u> | <u>1% Increase</u>   |
|----------------------|-----------------------|--------------------------------|----------------------|
| Total OPEB Liability | <u>\$ 115,412,558</u> | <u>\$ 98,277,943</u>           | <u>\$ 84,587,459</u> |

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

**Healthcare**

|                      | <u>1% Decrease</u>   | <u>Current Trend<br/>Rates</u> | <u>1% Increase</u>    |
|----------------------|----------------------|--------------------------------|-----------------------|
| Total OPEB liability | <u>\$ 81,662,043</u> | <u>\$ 98,277,943</u>           | <u>\$ 119,842,321</u> |

**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 \$861,870. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 3,554,573                                  | \$ (2,703,714)                               |
| Effect of assumption changes or inputs             | 4,730,031                                     | (25,966,085)                                 |
|  | <u>\$ 8,284,604</u>                           | <u>\$ (28,669,799)</u>                       |

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 10 – Post-Employment Benefit Obligations Payable (continued)**

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

| <u>Year Ended June 30,</u> | <u>Amount</u>          |
|----------------------------|------------------------|
| 2025                       | \$ (6,403,061)         |
| 2026                       | (4,524,514)            |
| 2027                       | (5,521,693)            |
| 2028                       | (2,911,271)            |
| 2029                       | (814,665)              |
| Thereafter                 | <u>(209,991)</u>       |
|                            | <u>\$ (20,385,195)</u> |

**Note 11 – Rental of District Property**

The District leases property to a local school district and other individuals through short-term lease agreements. Total rental income for the 2024 fiscal year approximated \$19,000 and is included within use of money and property revenue on the Statement of Activities and Changes in Net Position.

**Note 12 – Unrestricted Net Position**

Unrestricted net position in the general fund at June 30, 2024 is comprised of \$57,268 reserved for encumbrances, \$164,234 committed for extraclassroom activities, and \$1,459,008 in unassigned fund balance.

**Note 13 – Risk Management**

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

**Workers' Compensation:** The District incurs costs related to the Onondaga-Cortland-Madison BOCES Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdrawal must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of thirty-one districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 13 – Risk Management (continued)**

All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment.

However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any “excess insurance”, the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee. The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2024, the District incurred premiums or contribution expenditures totaling \$180,044. The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2024. The District's outstanding case reserves at June 30, 2024 approximated \$108,356.

Health Insurance: The District incurs costs related to an employee health insurance plan (plan). The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of five years; a member may withdraw from the plan after that time by providing written intent to withdraw on or before January 1st of the commencement of the school year for which the withdrawal is intended to be effective. In the event of a withdrawal, the consortium may determine any sums which are due and owed to the plan or participant. The Cooperative Health Insurance Fund of Central New York consortium has twenty-eight (28) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a pro-rata supplemental assessment in the event of deficiencies.

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

Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately \$5,427,000 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 14 – Donor Restricted Endowments**

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District. Such endowments are recorded within the General Fund, in accordance with GASB 84.

**Note 15 – Commitments and Contingent Liabilities**

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial. New York State Education Law requires that most capital projects require approval by the New York Office of Facilities Planning. New York State provides building aid for certain type of capital projects undertaken by school districts. Building aid is subject to numerous reporting requirements. The failure to adhere to these reporting requirements could lead to the refund of building aid already received and the loss of future aid on these particular capital projects. Building aid represents a significant source of financing for the Districts' financing of such projects and any loss or refund of building aid could have a significant impact on these financial statements.

Several tax certiorari actions are pending against the District for reductions in the assessment value of various properties. Management believes that the likelihood of a reduction is probable. Provisions for losses for those cases are recorded as long-term liabilities. The District plans on funding any settlements from the Tax Certiorari Reserve, and/or future appropriations. The majority of the District's employees are covered by several collective bargaining units. These agreements have various expiration dates in the near future. The District funds to these agreements through future appropriations.

**Note 16 – Subsequent Events**

Management has evaluated subsequent events through October 8, 2024, which is the date the financial statements were available to be issued. On July 11, 2024, the District received BAN proceeds of \$1,663,382 at 4.50%, to finance the purchase of buses. There were no other material subsequent events through October 8, 2024, which is the date the financial statements were available to be issued.



**Chittenango Central School District**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Total OPEB**  
**Liability and Related Ratios**  
**For the Year Ended June 30**

|   | 2024                 | 2023                 | 2022                 | 2021                  | 2020                  | 2019                 | 2018                  |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Measurement date  | June 30, 2024        | June 30, 2023        | June 30, 2022        | June 30, 2021         | June 30, 2020         | June 30, 2019        | June 30, 2018         |
| Total OPEB liability  | \$ 98,277,943        | \$ 98,161,354        | \$ 94,360,816        | \$ 114,934,322        | \$ 113,745,661        | \$ 91,038,644        | \$ 110,271,244        |
| Service cost  | 3,600,166            | 3,847,291            | 5,328,161            | 5,390,335             | 3,909,181             | 4,903,309            | 4,478,942             |
| Interest  | 3,664,765            | 3,430,974            | 2,573,600            | 2,609,410             | 3,286,546             | 3,425,550            | 3,243,129             |
| Changes in benefit terms  | -                    | -                    | -                    | -                     | -                     | -                    | -                     |
| Differences between expected and actual experience in the measurement of the total OPEB liability | -                    | -                    | -                    | -                     | -                     | -                    | -                     |
| Effect of demographic gains or losses   | -                    | 4,809,059            | -                    | (6,192,374)           | -                     | 833,720              | 70,201                |
| Changes in assumptions or other inputs  | (4,409,847)          | (5,688,328)          | (26,234,603)         | 1,519,196             | 17,622,459            | (26,401,364)         | -                     |
| Benefit payments  | <u>(2,738,495)</u>   | <u>(2,598,458)</u>   | <u>(2,240,664)</u>   | <u>(2,137,906)</u>    | <u>(2,111,169)</u>    | <u>(1,993,815)</u>   | <u>(2,275,958)</u>    |
| Net change in total OPEB liability  | 116,589              | 3,800,538            | (20,573,506)         | 1,188,661             | 22,707,017            | (19,232,600)         | 5,516,314             |
| Total OPEB liability- beginning   | <u>98,161,354</u>    | <u>94,360,816</u>    | <u>114,934,322</u>   | <u>113,745,661</u>    | <u>91,038,644</u>     | <u>110,271,244</u>   | <u>104,754,930</u>    |
| Total OPEB liability- ending  | <u>\$ 98,277,943</u> | <u>\$ 98,161,354</u> | <u>\$ 94,360,816</u> | <u>\$ 114,934,322</u> | <u>\$ 113,745,661</u> | <u>\$ 91,038,644</u> | <u>\$ 110,271,244</u> |
| Covered payroll   | \$ 19,163,213        | \$ 19,163,213        | \$ 18,474,069        | \$ 18,474,069         | \$ 17,178,142         | \$ 17,178,142        | \$ 16,661,982         |
| Total OPEB liability as a percentage of covered payroll   | 512.85%              | 512.24%              | 510.77%              | 622.14%               | 662.15%               | 529.97%              | 661.81%               |

**Note:**

The District does not have net assets accumulated in a trust that meets certain criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB liabilities. 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 the auditor's report.

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

|   | Original<br>Budget | Final<br>Budget | Actual<br>(Budgetary Basis) | Year-End<br>Encumbrances | Final Budget<br>Variance with<br>Budgetary Actual |
|---|--------------------|-----------------|-----------------------------|--------------------------|---|
| <b>REVENUES</b>                               |                    |                 |                             |                          |   |
| Local sources                                 |                    |                 |                             |                          |   |
| Real property taxes                           | \$ 17,324,112      | \$ 17,324,112   | \$ 17,531,060               | \$ -                     | \$ 206,948  |
| Other tax items                               | 2,550,000          | 2,550,000       | 2,389,933                   | -                        | (160,067)   |
| Charges for services                          | 71,500             | 71,500          | 75,864                      | -                        | 4,364   |
| Use of money and property                     | 400,000            | 400,000         | 592,813                     | -                        | 192,813   |
| Sale of property and compensation<br>for loss | 60,000             | 70,000          | 39,280                      | -                        | (30,720)  |
| Miscellaneous                                 | 546,000            | 546,000         | 785,708                     | -                        | 239,708   |
| Total local sources                           | 20,951,612         | 20,961,612      | 21,414,658                  | -                        | 453,046   |
| State sources                                 | 22,107,173         | 22,107,173      | 21,892,316                  | -                        | (214,857)   |
| Medicaid                                      | 550,000            | 550,000         | 229,985                     | -                        | (320,015)   |
| Total revenues                                | 43,608,785         | 43,618,785      | 43,536,959                  | -                        | (81,826)  |
| <b>OTHER FINANCING SOURCES</b>                |                    |                 |                             |                          |   |
| Appropriated reserves                         | 1,811,560          | 1,811,560       | -                           | -                        | (1,811,560)                                       |
| Total revenues and other sources              | 45,420,345         | 45,430,345      | 43,536,959                  | -                        | (1,893,386)                                       |
| <b>EXPENDITURES</b>                           |                    |                 |                             |                          |   |
| General support                               |                    |                 |                             |                          |   |
| Board of education                            | 33,900             | 35,442          | 33,862                      | -                        | 1,580   |
| Central administration                        | 248,246            | 252,612         | 249,536                     | -                        | 3,076   |
| Finance                                       | 582,052            | 540,051         | 520,392                     | -                        | 19,659  |
| Staff   | 142,755            | 113,892         | 109,979                     | 2,386                    | 1,527   |
| Central services                              | 3,129,116          | 3,030,890       | 2,952,051                   | 31,522                   | 47,317  |
| Special items                                 | 339,394            | 323,974         | 327,044                     | -                        | (3,070)   |
| Total general support                         | 4,475,463          | 4,296,861       | 4,192,864                   | 33,908                   | 70,089  |
| Instruction                                   |                    |                 |                             |                          |   |
| Instruction, administration and improvement   | 1,485,410          | 1,628,535       | 1,621,643                   | 1,440                    | 5,452   |
| Teaching - regular school                     | 11,260,868         | 11,456,113      | 11,388,992                  | 9,157                    | 57,964  |
| Programs for students with disabilities       | 4,123,040          | 4,153,776       | 4,138,654                   | 181                      | 14,941  |
| Occupational education                        | 837,699            | 891,679         | 891,679                     | -                        | -   |
| Teaching - special schools                    | 850                | 15,472          | 14,622                      | -                        | 850   |
| Instructional media                           | 1,258,613          | 1,511,682       | 1,487,096                   | 3,276                    | 21,310  |
| Pupil services                                | 2,355,063          | 2,284,940       | 2,108,232                   | 6,996                    | 169,712   |
| Total instruction                             | 21,321,543         | 21,942,197      | 21,650,918                  | 21,050                   | 270,229   |
| Pupil transportation                          | 2,903,821          | 2,962,494       | 2,916,766                   | -                        | 45,728  |
| Employee benefits                             | 13,704,585         | 13,195,692      | 13,149,718                  | 2,310                    | 43,664  |
| Debt service                                  | 2,884,183          | 2,936,102       | 2,874,183                   | -                        | 61,919  |
| Total expenditures                            | 45,289,595         | 45,333,346      | 44,784,449                  | 57,268                   | 491,629   |
| <b>OTHER FINANCING USES</b>                   |                    |                 |                             |                          |   |
| Transfer to other funds                       | 130,750            | 122,250         | 4,885,630                   | -                        | (4,763,380)                                       |
| Total expenditures and other uses             | \$ 45,420,345      | \$ 45,455,596   | \$ 49,670,079               | \$ 57,268                | \$ (4,271,751)                                    |
| Net change in fund balance                    |                    |                 | (6,133,120)                 |                          |   |
| Fund balance - beginning                      |                    |                 | 12,843,271                  |                          |   |
| Fund balance - ending                         |                    |                 | \$ 6,710,151                |                          |   |

**Note To Required Supplementary Information**

Budget Basis of Accounting

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

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**For the Year Ended June 30**

| <i>Teachers' Retirement System</i>                                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2024             | 2023             | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
| Contractually required contribution                                  | \$ 1,578,147     | \$ 1,551,326     | \$ 1,393,495     | \$ 1,307,409     | \$ 1,189,944     | \$ 1,413,755     | \$ 1,330,010     | \$ 1,529,585     | \$ 1,658,534     | \$ 2,093,198     |
| Contributions in relation to the contractually required contribution | <u>1,578,147</u> | <u>1,551,326</u> | <u>1,393,495</u> | <u>1,307,409</u> | <u>1,189,944</u> | <u>1,413,755</u> | <u>1,330,010</u> | <u>1,529,585</u> | <u>1,658,534</u> | <u>2,093,198</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| District's covered payroll   | \$ 16,169,539    | \$ 15,076,054    | \$ 14,219,337    | \$ 13,718,877    | \$ 13,430,519    | \$ 13,312,194    | \$ 13,571,531    | \$ 12,393,677    | \$ 12,024,412    | \$ 11,933,854    |
| Contributions as a percentage of covered payroll                     | 10%              | 10%              | 10%              | 10%              | 9%               | 11%              | 10%              | 12%              | 14%              | 18%              |
| <i>Employees' Retirement System</i>                                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|  | 2024             | 2023             | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             |
| Contractually required contribution                                  | \$ 813,682       | \$ 707,203       | \$ 822,803       | \$ 872,826       | \$ 814,441       | \$ 803,545       | \$ 832,495       | \$ 752,026       | \$ 895,014       | \$ 910,700       |
| Contributions in relation to the contractually required contribution | <u>813,682</u>   | <u>707,203</u>   | <u>822,803</u>   | <u>872,826</u>   | <u>814,441</u>   | <u>803,545</u>   | <u>832,495</u>   | <u>752,026</u>   | <u>895,014</u>   | <u>910,700</u>   |
| Contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| District's covered payroll   | \$ 6,211,313     | \$ 6,096,578     | \$ 4,254,732     | \$ 4,755,192     | \$ 3,747,623     | \$ 3,865,948     | \$ 3,090,451     | \$ 3,434,538     | \$ 3,803,803     | \$ 5,584,422     |
| Contributions as a percentage of covered payroll                     | 13%              | 12%              | 19%              | 18%              | 22%              | 21%              | 27%              | 22%              | 24%              | 16%              |

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Schedule of District's Proportionate Share of the Net Pension Asset (Liability)**  
**For the Year Ended June 30**

| <i>Teachers' Retirement System</i>  |                |                |               |                |                |                |               |                |                |               |
|---|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|---------------|
|   | 2024           | 2023           | 2022          | 2021           | 2020           | 2019           | 2018          | 2017           | 2016           | 2015          |
| District's proportion of the net pension asset (liability)  | 0.083040%      | 0.083004%      | 0.080827%     | 0.079158%      | 0.079835%      | 0.078459%      | 0.078210%     | 0.079491%      | 0.079455%      | 0.078839%     |
| District's proportionate share of the net pension asset (liability)   | \$ (949,629)   | \$ (1,592,761) | \$ 14,006,487 | \$ (2,187,339) | \$ 2,074,113   | \$ 1,418,743   | \$ 594,470    | \$ (835,233)   | \$ 9,851,043   | \$ 10,943,935 |
| District's covered payroll  | \$ 16,169,539  | \$ 15,076,054  | \$ 14,219,337 | \$ 13,718,877  | \$ 13,430,519  | \$ 13,312,194  | \$ 13,571,531 | \$ 12,393,677  | \$ 12,024,412  | \$ 11,933,854 |
| District's proportionate share of the net pension asset (liability)<br>as a percentage of its covered payroll | -5.87%         | -10.56%        | 98.50%        | -15.94%        | 15.44%         | 10.66%         | 4.38%         | -6.74%         | 81.93%         | 91.70%        |
| Plan fiduciary net position as a percentage of the<br>total pension asset or liability                        | 99.20%         | 98.60%         | 113.20%       | 97.80%         | 102.20%        | 101.53%        | 100.66%       | 99.01%         | 110.46%        | 111.48%       |
| <i>Employees' Retirement System</i>   |                |                |               |                |                |                |               |                |                |               |
|   | 2024           | 2023           | 2022          | 2021           | 2020           | 2019           | 2018          | 2017           | 2016           | 2015          |
| District's proportion of the net pension asset (liability)  | 0.0185016%     | 0.0181582%     | 0.0170350%    | 0.0171717%     | 0.0174177%     | 0.0178063%     | 0.0180888%    | 0.0176555%     | 0.0182123%     | 0.0182337%    |
| District's proportionate share of the net pension asset (liability)   | \$ (2,724,180) | \$ (3,893,859) | \$ 1,392,545  | \$ (17,099)    | \$ (4,612,310) | \$ (1,261,630) | \$ (583,806)  | \$ (1,658,947) | \$ (2,923,123) | \$ (615,981)  |
| District's covered payroll  | \$ 6,211,313   | \$ 6,096,578   | \$ 4,254,732  | \$ 4,755,192   | \$ 3,747,623   | \$ 3,865,948   | \$ 3,090,451  | \$ 3,434,538   | \$ 3,803,803   | \$ 5,584,422  |
| District's proportionate share of the net pension asset (liability)<br>as a percentage of its covered payroll | 43.86%         | 63.87%         | -32.73%       | 0.36%          | 123.07%        | 32.63%         | 18.89%        | 48.30%         | 76.85%         | 11.03%        |
| Plan fiduciary net position as a percentage of the total<br>pension liability                                 | 93.88%         | 90.78%         | 103.65%       | 99.95%         | 86.39%         | 96.27%         | 98.24%        | 94.70%         | 90.70%         | 97.90%        |

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

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Schedules 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 TO REVISED BUDGET**

|                               |                             |
|-------------------------------|-----------------------------|
| Adopted budget                | \$ 45,420,345               |
| Add prior year's encumbrances | <u>35,251</u>               |
| Original budget               | 45,455,596                  |
| Budget revision:              | <u>-</u>                    |
| Revised budget                | <u><u>\$ 45,455,596</u></u> |

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

|  |                            |
|--|----------------------------|
| 2024-25 voter-approved expenditure budget                                    |                            |
| maximum allowed (4% of 2024-25 budget)                                       | \$ 47,934,140              |
| General fund fund balance subject to Section 1318 of Real Property Tax Law*: |                            |
| Unrestricted fund balance:   |                            |
| Assigned fund balance  | 57,268                     |
| Committed fund balance   | 164,234                    |
| Unassigned fund balance  | <u>1,459,008</u>           |
| Total unrestricted fund balance  | <u>1,680,510</u>           |
| Less:  |                            |
| Appropriated fund balance  | -                          |
| Committed fund balance   | 164,234                    |
| Encumbrances included in committed and assigned fund balance                 | <u>57,268</u>              |
| Total adjustments  | <u>221,502</u>             |
| General fund fund balance subject to Section 1318 of Real Property Tax Law   | <u><u>\$ 1,459,008</u></u> |
| Actual percentage  | 3.04%                      |

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

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

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

|                               | Original<br>Budget   | Revised<br>Budget    | Expenditures         |                     |             |                      | Unexpended<br>Balance | Methods of Financing       |                     |                     |                      | Fund<br>Balance (Deficit)<br>June 30, 2024 |
|-------------------------------|----------------------|----------------------|----------------------|---------------------|-------------|----------------------|-----------------------|----------------------------|---------------------|---------------------|----------------------|--|
|                               |                      |                      | Prior<br>Years       | Current<br>Year     | Transfers   | Total                |                       | Proceeds of<br>Obligations | State Aid           | Local<br>Sources    | Total                |  |
| 2020 Buses                    | \$ 697,919           | \$ 697,919           | \$ 697,521           | \$ -                | \$ -        | \$ 697,521           | \$ 398                | \$ -                       | \$ -                | \$ 697,521          | \$ 697,521           | \$ -                                       |
| 2021 Buses                    | 753,205              | 753,205              | 743,516              | -                   | -           | 743,516              | 9,689                 | -                          | -                   | 602,916             | 602,916              | (140,600)                                  |
| 2022 Buses                    | 372,882              | 372,882              | 372,805              | -                   | -           | 372,805              | 77                    | -                          | -                   | 147,806             | 147,806              | (224,999)                                  |
| 2023 Buses                    | 666,365              | 666,065              | 632,250              | -                   | -           | 632,250              | 33,815                | -                          | -                   | 126,064             | 126,064              | (506,186)                                  |
| 2024 Buses                    | 683,382              | 683,382              | -                    | 606,297             | -           | 606,297              | 77,085                | -                          | -                   | -                   | -                    | (606,297)                                  |
| Smart Schools Bond Act        | 1,475,388            | 1,475,388            | 1,548,513            | -                   | -           | 1,548,513            | (73,125)              | -                          | 1,188,007           | 288,697             | 1,476,704            | (71,809)                                   |
| 2018 Capital Project          | 16,000,000           | 16,000,000           | 16,135,410           | -                   | -           | 16,135,410           | (135,410)             | 13,093,684                 | 9,331               | 3,140,687           | 16,243,702           | 108,292                                    |
| Capital Outlay 18-19          | 100,000              | 87,441               | 87,740               | -                   | -           | 87,740               | (299)                 | -                          | -                   | 87,441              | 87,441               | (299)                                      |
| Capital Outlay 21-22          | 100,000              | 100,000              | 96,620               | -                   | -           | 96,620               | 3,380                 | -                          | -                   | 100,000             | 100,000              | 3,380                                      |
| Capital Outlay 23-24          | 100,000              | 100,000              | -                    | 100,000             | -           | 100,000              | -                     | -                          | -                   | 100,000             | 100,000              | -  |
| 2022- HS Roof                 | 4,367,500            | 4,367,500            | 2,323,864            | 2,132,471           | -           | 4,456,335            | (88,835)              | 116                        | -                   | 4,456,219           | 4,456,335            | -  |
| Phase II                      | 21,882,500           | 21,882,500           | 396,233              | 2,410,022           | -           | 2,806,255            | 19,076,245            | -                          | -                   | 249,180             | 249,180              | (2,557,075)                                |
| Emergency Project- Excavating | -                    | -                    | 120,228              | -                   | -           | 120,228              | (120,228)             | -                          | -                   | -                   | -                    | (120,228)                                  |
| Total projects                | <u>\$ 47,199,141</u> | <u>\$ 47,186,282</u> | <u>\$ 23,154,700</u> | <u>\$ 5,248,790</u> | <u>\$ -</u> | <u>\$ 28,403,490</u> | <u>\$ 18,782,792</u>  | <u>\$ 13,093,800</u>       | <u>\$ 1,197,338</u> | <u>\$ 9,996,531</u> | <u>\$ 24,287,669</u> | <u>\$ (4,115,821)</u>                      |

See paragraph on supplementary information included in auditor's report.

**CHITTENANGO CENTRAL SCHOOL DISTRICT**  
**Net Investment in Capital Assets**  
**For the Year Ended June 30, 2024**

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|   |                             |                      |
|---|-----------------------------|----------------------|
| Capital assets, net                                 |                             | \$ 65,050,539        |
| Deduct:   |                             |                      |
| Premium on bonds payable                            | (2,919,381)                 |                      |
| Bond anticipation notes payable                     | (1,519,429)                 |                      |
| Short-term portion of finance type lease obligation | (186,357)                   |                      |
| Short-term portion of bonds payable                 | (1,320,000)                 |                      |
| Long-term portion of bonds payable                  | (14,090,000)                |                      |
| Long-term portion of finance type lease obligation  | (808,347)                   |                      |
|   | <u>                    </u> | <u>(20,843,514)</u>  |
| Net investment in capital assets                    |                             | <u>\$ 44,207,025</u> |

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



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

**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Chittenango Central School  
District Chittenango, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chittenango 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 Chittenango Central School District's basic financial statements, and have issued our report thereon dated October 8, 2024.

***Report on Internal Control over Financial Reporting***

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 and 2024-002 that we consider to be significant deficiencies.



## ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Chittenango Central School District's financial statements are free of 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*.

We noted certain matters that we have reported to management of Chittenango Central School District in a separate letter dated October 8, 2024.

## **Chittenango Central School District's Response to Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on Chittenango Central School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Chittenango Central School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

*Grossman St Amour CPAs*

Syracuse, New York  
October 8, 2024



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

**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Chittenango Central School  
District Chittenango, New York

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Chittenango 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 Chittenango 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 Chittenango Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these 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.

*Grossman St Amour CPAs*

Syracuse, New York  
October 8, 2024

# CHITTENANGO CENTRAL SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

|  | Federal CFDA<br>Number | Pass-Through<br>Number | Passed<br>Through to<br>Subrecipient | Current Year<br>Expenditures |
|--|------------------------|------------------------|--------------------------------------|------------------------------|
| <b>U.S. Department of Education</b>  |                        |                        |                                      |                              |
| Passed through New York State Department of Education:<br>(Grantor's No. 251601060000) |                        |                        |                                      |                              |
| <b>Special Education Cluster:</b>  |                        |                        |                                      |                              |
| Special Education - Grants to States   | 84.027A                | 0032240353             |                                      | \$ 532,306                   |
| Special Education - Preschool Grants   | 84.173A                | 0033240353             |                                      | 18,086                       |
| Special Education- Preschool Grants- American Rescue Plan                              | 84.173X                | 5533220353             |                                      | 950                          |
| Total Special Education Cluster  |                        |                        |                                      | 551,342                      |
| <b>Education Stabilization Funds:</b>  |                        |                        |                                      |                              |
| American Rescue Plan (ARP) Elementary and Secondary Emergency Relief (ESSER) 3         | 84.425U                | 5880211325             |                                      | 690,419                      |
| American Rescue Plan (ARP) Universal Pre-Kindergarten                                  | 84.425U                | 5870249045             |                                      | 108,159                      |
| American Rescue Plan (ARP)- State Level Reserve- Summer Enrichment                     | 84.425U                | 5882211325             |                                      | 9,038                        |
| American Rescue Plan (ARP)- State Level Reserve- Comprehensive After School            | 84.425U                | 5883211325             |                                      | 26,573                       |
| American Rescue Plan (ARP)- State Level Reserve- Lost Instruction                      | 84.425U                | 5884211325             |                                      | 171,517                      |
| American Rescue Plan total   |                        |                        |                                      | 1,005,706                    |
| Title I Grants to Local Educational Agencies   | 84.010A                | 0021241325             |                                      | 260,119                      |
| Improving Teacher Quality State Grants   | 84.367A                | 0147241325             |                                      | 39,673                       |
| Title IV Student Support and Academic Enrichment Grants                                | 84.424A                | 0204241325             |                                      | 25,567                       |
| Total U.S. Department of Education   |                        |                        |                                      | 1,882,407                    |
| <b>U.S. Department of Agriculture</b>  |                        |                        |                                      |                              |
| Passed through New York State Department of Education<br>(Grantor's No. 251601060000)  |                        |                        |                                      |                              |
| <b>Child Nutrition Cluster:</b>  |                        |                        |                                      |                              |
| National School Breakfast Program  | 10.553                 |                        |                                      | 120,917                      |
| National School Lunch Program  | 10.555                 |                        |                                      | 479,400                      |
| National School Lunch Program (non-cash assistance)                                    | 10.555                 |                        |                                      | 67,814                       |
| Total Child Nutrition Cluster  |                        |                        |                                      | 668,131                      |
| Total U.S. Department of Agriculture   |                        |                        |                                      | 668,131                      |
| <b>Total Expenditures of Federal Awards</b>  |                        |                        |                                      | <b>\$ 2,550,538</b>          |

The accompanying notes are an integral part of the schedule.

## CHITTENANGO CENTRAL SCHOOL DISTRICT

### Notes of Schedule of Expenditures of Federal Awards

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#### 1. Basis of Presentation

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

#### 2. Summary of Significant Accounting Policies

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

#### 3. Indirect Cost Rate

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

#### 4. Non-Cash Assistance

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted approximately \$68,000 of commodities under the National School Lunch Program (CFDA 10.555).

CHITTENANGO CENTRAL SCHOOL DISTRICT

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

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Section I. Summary of Auditor's Results

**Financial Statements**

Type of auditor's opinion issued: *unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ No

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 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

*Name of Federal Program or Cluster*

*CFDA Number(s)*

Education Stabilization Funds

84.425U

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

\$750,000

Auditee qualified as low-risk?

☒ Yes ☐ No

## CHITTENANGO CENTRAL SCHOOL DISTRICT

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

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#### Section II. Financial Statement Findings

##### 2024-001 - Claims Auditor Process

Criteria: New York State Education law requires that a school board audit and approve each claim (except contracted wages and debt service) or appoint a claims auditor to perform this function on its behalf.

Condition: For several months of the current fiscal year, certain checks were issued and mailed before proper approval through the claims audit process. In some of these instances, the claims audit process took place after the fact. Based on expanded testing procedures, our sample indicates that the proper matching of purchase orders, invoices and receiving reports, where applicable, took place. Further, during the year the claims auditor reports were not provided to the board in a timely fashion.

Cause: During the year at certain times the claims auditor/designated back-up did not perform the claims audit function prior to the release of the checks.

Effect: Checks were mailed to vendors and others without proper approval. Claims auditor reports were not provided to the board in a timely manner.

Recommendation: We recommend the District clearly define the claims audit function and review this process amongst the fiscal team. Further, we recommend that the District retain supporting documentation of the claims auditor's review with the appropriate date for each batch of disbursements and that no disbursement be release without going through the required claims audit process.

Views of Responsible Official and Planned Corrective Actions: The District had previously identified a back-up claims auditor and the Business office reviewed the claim audit process to ensure clarity amongst the team. Effective immediately, no checks will be released without completion of the claims audit process and all required reports will be provided to the Board on a monthly basis.

##### 2024-002 – Incomplete Financial Reporting and Insufficient Supervision Procedures

Criteria: Complete and accurate financial statements should be maintained throughout the year in compliance with New York State Education and Office of the State Comptroller requirements. Adhering to such regulations support District compliance and transparent financial management.

Condition: Financials records used by management and the board for decision making purposes may not accurately reflect its true financial position and results of operations.

Cause: Reconciliations and detailed fund basis review and oversight did not take place throughout the year under audit to identify adjustments in real time.

Effect: For the year under audit there were significant late adjustments proposed by management and audit adjustments, as a result of audit procedures. Such adjustments were to properly present fund statements, interfund activity, reconcile certain activities throughout the year and reconcile government-wide financial statements.



## CHITTENANGO CENTRAL SCHOOL DISTRICT

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

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#### Section II. Financial Statement Findings (continued)

Recommendation: We recommend the District review policies and procure to ensure timely reconciliation and review of fund statements and ensure staff have the proper training in fund accounting principles to perform their duties. Further, more regular review of detailed accounting transactions, balances and end of year government-wide statements should take place to identify errors more timely.

Views of Responsible Official and Planned Corrective Actions: The District is in agreement with the finding. There may be some late adjustments, but only for matters that require state agency reports to record the necessary entries (TRS/ERS). Regarding the balance of entries, the 23-24 school year and financials have been used as a training ground for succession planning purposes. All entries have been properly recorded and financial statements properly reflect the financial position of the district. Additional support will be provided by management during the 24-25 school year to complete the succession planning process.

#### Section III. Federal Award Findings and Questioned Costs

None Reported

#### Section IV. Summary of Prior Year Audit Findings

##### Education Stabilization Funds (84.425C, 84.425D, 84.425U, 84.425W)

2023-001 Allowable Costs/Costs Principles - Support of Salaries and Wages

Condition: The District did not comply with the required standards of Support and Salaries and Wages because employees whose time was charged to Education Stabilization Fund grants during the fiscal year did not complete monthly or semi-annual time certification forms or personnel activity reports (PAR) for their time distribution.

Recommendation: In order to prevent future occurrences of this deficiency, we recommend that management require that copies of these payroll certifications be completed and forwarded to the District Treasurer on a timely basis and that they are reviewed for accuracy and then retained.

Current Status: The recommendations were adopted in the 2023-2024 school year. No similar findings were identified in the 2024 audit.

## FORM OF OPINION OF BOND COUNSEL – SERIES A NOTES

July 10, 2025

Chittenango Central School District  
1732 Flyer Road  
Chittenango, New York 13037

Re: Chittenango Central School District  
\$1,697,169 Bond Anticipation Notes, 2025 Series A CUSIP No.: 170214

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$1,697,169 Bond Anticipation Notes, 2025 Series A (the "Series A Notes") of the Chittenango Central School District, Counties of Madison and Onondaga, 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

## FORM OF OPINION OF BOND COUNSEL - SERIES B NOTES

July 10, 2025

Chittenango Central School District  
1732 Flyer Road  
Chittenango, New York 13037

Re: Chittenango Central School District  
\$21,500,000 Bond Anticipation Notes, 2025 Series B CUSIP No.: 170214

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$21,500,000 Bond Anticipation Notes, 2025 Series B (the "Series B Notes") of the Chittenango Central School District, Counties of Madison and Onondaga, 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