PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE | **BOND ANTICIPATION NOTES**

In the opinion of Timothy R. McGill Law Offices, Bond Counsel to the District, assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986 (the "Code"), interest on the Notes is excludable from gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not a specific preference item for purposes of Federal alternative minimum tax; 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. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX EXEMPTION" herein for a discussion of certain Federal taxes applicable to owners of the Notes.

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

$40,800,000

GOUVERNEUR CENTRAL SCHOOL DISTRICT

ST. LAWRENCE AND JEFFERSON COUNTIES, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE: 383622

$40,800,000 Bond Anticipation Notes, 2025

(the "Notes")

Dated: July 17, 2025 | **Due: July 16, 2026**

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

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC"). The School District will act as Paying Agent for the Notes.

If the Notes are issued as registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinion as to the validity of the Notes of Timothy R. McGill Law Offices, Fairport, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or at such place as may be agreed upon with the Purchaser(s) on or about July 17, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com, on June 25, 2025 by no later than 10:45 A.M. Prevailing Time. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the respective Notice of Sale for the Notes.

June 16, 2025

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

GOUVERNEUR CENTRAL SCHOOL DISTRICT
ST. LAWERENCE AND JEFFERSON COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

DAVID FENLONG
President

TODD BATES
Vice President

BROOKE BUSH
WILLIAM CARTWRIGHT
LISA MCGREGOR
NICKOLAS ORMASEN
LAURIE ROBERTS
LAURA SPICER

* * * * *

ADMINISTRATION

JACQUELINE L. KELLY
Superintendent of Schools

DALE MUNN
Business Manager

FISCAL ADVISORS AND MARKETING, INC.
Municipal Advisor

TIMOTHY R. MCGILL ESQ.
Bond Counsel

Note: The District's Board of Education will change for the 2025-2026 fiscal year and prior to the date of the Notes in accordance with the District's annual reorganization meeting.

No person has been authorized by the 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 District.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

OF THE

GOUVERNEUR CENTRAL SCHOOL DISTRICT
ST. LAWRENCE AND JEFFERSON COUNTIES, NEW YORK

RELATING TO

$40,800,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Gouverneur Central School District, St. Lawrence and Jefferson Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $40,800,000 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated July 17, 2025 and will mature July 16, 2026. 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.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to a bond resolution duly adopted by the Board of Education on January 8, 2024 authorizing the use of $9,600,000 capital reserve funds and the issuance of up to $47,780,000 serial bonds to finance the construction and reconstruction of District buildings and facilities, including various site and athletic field improvements, and the acquisition of certain original furnishings, equipment, and apparatus and other incidental improvements required in connection therewith, at a maximum cost of $57,380,000.

The issuance of the Notes will represent the first borrowing against this authorization, and the proceeds of the Notes will provide $40,800,000 in new money for this purpose.

BOOK-ENTRY-ONLY SYSTEM

In the event that the Notes are issued in registered book-entry form, the Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. 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 the Notes bearing the same CUSIP, and will be deposited with DTC.

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

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bond 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.

Principal and interest 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 School 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 School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 School 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 School District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry only 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 School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

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

THE SCHOOL 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 THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS, 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 ONLY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE SCHOOL 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 in Certain Circumstances

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

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

THE SCHOOL DISTRICT

General Information

The District covers about 221 square miles and is located in St. Lawrence and Jefferson Counties. Students come from the Village and Town of Gouverneur plus peripheral rural communities. The District, in collaboration with the community, is dedicated to educating all individuals, in a safe environment, to be passionate learners and responsible citizens in a global society.

Source: District officials.

Population

The current estimated population of the District is 10,145. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are the Towns and the Counties listed below. The figures set below with respect to such Towns and County 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 County is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Antwerp	$ 19,235	$ 24,079	$ 32,843	$ 55,341	$ 67,704	$ 81,128
De Kalb	18,787	19,152	24,980	43,558	47,600	56,591
Edwards	20,464	25,104	27,689	49,643	58,529	75,938
Fowler	19,510	27,172	32,281	51,198	54,896	62,813
Gouverneur	17,299	22,290	24,200	51,205	51,271	60,091
Hermon	19,916	24,979	28,938	60,417	59,271	84,345
Macomb	21,689	25,128	28,134	51,875	51,818	64,167
Pitcairn	16,275	22,228	28,438	41,207	55,200	60,833
Rossie	17,773	21,348	31,074	37,917	53,958	77,813
Counties of:						
St. Lawrence	20,143	26,676	31,574	42,303	66,843	80,918
Jefferson	21,823	28,120	34,603	43,410	66,711	80,333
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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

Larger Employers

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

Name	Type	Employees
Gouverneur Correctional Facility	NYS Prison	441
Kinney Drugs Store	Retail Store/Pharmacy	437
Gouverneur CSD	Public Education	256
Gouverneur Hospital	Hospital	190
Empire State Mines, LLC	Manufacturing	142

Source: District officials.

Unemployment Rate Statistics

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

	Annual Averages								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Jefferson County	6.3%	6.4%	5.5%	5.3%	8.4%	5.1%	4.1%	4.1%	4.4%
St. Lawrence County	6.5%	6.4%	5.4%	5.2%	7.7%	5.1%	4.1%	4.3%	4.6%
New York State	4.9%	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

	2025 Monthly Figures					
	Jan	Feb	Mar	Apr	May	Jun
Jefferson County	5.8%	6.0%	5.2%	3.8%	N/A	N/A
St. Lawrence County	5.7%	5.6%	5.2%	4.2%	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 of 2025 are unavailable as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 210 to 59. 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 2.03%, which was equal to the District's tax levy limit of 2.03%.

The District's budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 218 yes to 76 no. 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 calls for a total tax levy increase of 2.02%, which is equal to the District's tax levy limit of 2.02%.

Investment Policy

Pursuant to the statutes of the State, 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) savings accounts or money market accounts of designated banks; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of New York State; and (5) obligations of the United States Government (U.S. Treasury Bills and Notes).

The District does not invest in reverse repurchase agreements or other derivative type investments.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 75.79% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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

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

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

Federal Aid Received by the State

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

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

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

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that 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 96.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

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

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

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

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

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

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a “gap elimination adjustment” as described above, and other aid adjustments.

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

A breakdown of currently anticipated Foundation Aid funding is available below

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 35,358,784	$ 28,103,534	79.48%
2020-2021	36,407,395	28,342,717	77.85
2021-2022	37,384,396	29,292,764	78.36
2022-2023	39,183,759	30,683,540	78.31
2023-2024	41,448,946	32,609,825	78.67
2024-2025 (Budgeted) [2]	43,668,345	35,895,493	82.20
2024-2025 (Unaudited)	41,500,000	32,803,263	79.04
2025-2026 (Budgeted) [2]	45,974,171	34,841,843	75.79

[1] General fund only. Revenues figures include interfund transfers, if any.
[2] Revenues figure does not include appropriated fund balance.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, the adopted budget and unaudited figures for the 2024-2025 fiscal year, and adopted budget of the District for the 2025-2026 fiscal year. This table is not audited. The unaudited projections for the 2024-2025 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

District Facilities

Name	Grades	Capacity	Year(s) Built
Gouverneur Elementary School	UPre-K-4	672	1952
Gouverneur Middle School	5-8	405	1952
Junior-Senior High School	K-12	1,325	1916

Source: District officials.

Enrollment Trends

School Year	Total Enrollment	School Year	Total Projected Enrollment
2020-21	1,479	2025-26	1,410
2021-22	1,447	2026-27	1,410
2022-23	1,462	2027-28	1,410
2023-24	1,411	2028-29	1,410
2024-25	1,440	2029-30	1,410

Source: District officials.

Employees

The District currently employs approximately 254 full-time employees and 24 part-time employees. The following employees are represented by the following bargaining agents:

Employees	Union	Contract Expiration Date
158	Gouverneur Teachers' Association	June 30, 2028
103	Gouverneur School Related Personnel Union	June 30, 2025 [1]
8	Gouverneur Administrators' Association	June 30, 2025 [1]

[1] Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2020-2021 through and including 2024-2025, and budgeted figures for the 2025-2026 fiscal year, are as follows:

Fiscal Year	ERS	TRS
2020-21	$ 506,226	$ 938,602
2021-22	493,661	1,016,638
2022-23	441,652	1,090,619
2023-24	508,520	1,062,977
2024-25	623,476	1,231,779
2025-26 (Budgeted)	882,000	1,341,400

Source: District officials.

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

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

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

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

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

*Estimated.

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

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

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

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

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

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

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

Other Post-Employment Benefits

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

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

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

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

The District contracted with Armory Associates LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

Balance beginning at:	June 30, 2022 [1]	June 30, 2023
	$ 123,695,235	$ 108,471,896
Changes for the year:		
Service cost	4,741,309	3,834,386
Interest	2,718,675	3,924,093
Differences between expected and actual experience	(5,159,884)	-
Changes in benefit terms	(3,928,731)	(781,909)
Changes in assumptions or other inputs	(10,803,407)	(2,115,576)
Benefit payments	(2,791,301)	(2,912,349)
Net Changes	$ (15,223,339)	$ 1,948,645
Balance ending at:	June 30, 2023	June 30, 2024
	$ 108,471,896	$ 110,420,541

[1] Information sourced from Audited Financial Statements for the fiscal year ended June 30, 2023. Information for the fiscal year ended June 30, 2023 provided in said Audited Financial Statements differ from the information contained in that fiscal year in the Audited Financial Statements for the fiscal year ended June 30, 2022.

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

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

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

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

Other Information

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

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

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

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

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

Financial Statements

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

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

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

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

Anticipated Unaudited Results of Operations for Fiscal Year Ending June 30, 2025

Based on preliminary estimates, the District ended the fiscal year ending June 30, 2025 with an unappropriated unreserved fund balance of $4,306,000.

Summary unaudited information for the General Fund for the period ending June 30, 2025 is as follows:

Revenues:	$ 41,500,000
Expenditures:	41,400,000
Excess (Deficit) Revenues Over Expenditures:	$ 100,000
Beginning Fund Balance at June 30, 2024:	$ 17,424,187
Total Projected Fund Balance at June 30, 2025:	$ 17.524,187

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

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New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on June 9, 2023. The purpose of the audit was to determine whether District officials claimed all Medicaid reimbursements to which the District was entitled. A summary of audit findings is as follows.

District officials did not identify students who received Medicaid-eligible services or file Medicaid-reimbursement claims to recover part of the costs associated with these services. As a result, the District did not receive about $68,200 for reimbursements to which it was entitled.

Key Findings:

- Although the District provided Medicaid-reimbursable services to 27 students who were eligible for Medicaid during the 2021-22 fiscal year, officials did not file for reimbursements because a District-prepared cost-benefit analysis did not fully quantify the potential revenue that the District could have realized.
- District officials did not establish Medicaid claims procedures to ensure that staff maintained sufficient documentation for eligible services provided.

Key Recommendations:

- Establish written procedures for obtaining parental consent forms, documenting the eligible services provided and submitting claims for Medicaid reimbursement.
- Ensure excess funds are invested in a manner, within legal limits, to maximize interest earnings.

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

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	3.3
2022	No Designation	0.0

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

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

TAX INFORMATION

Taxable Assessed Valuation

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Antwerp	$ 2,423,274	$ 2,507,921	$ 2,532,977	$ 2,557,597	$ 2,629,063
De Kalb	26,086,764	26,915,708	27,436,033	28,165,065	28,503,422
Edwards	5,139,779	5,140,494	5,139,632	5,139,400	5,142,321
Fowler	17,598,877	17,901,522	18,045,094	18,092,060	18,175,434
Gouverneur	212,836,071	216,733,050	219,855,321	223,105,267	226,074,764
Hermon	8,477,180	8,603,863	8,772,614	9,034,184	8,899,323
Macomb	21,251,255	21,769,586	21,811,877	22,110,105	22,400,457
Pitcairn	1,217,885	1,218,553	1,218,710	1,402,324	1,547,085
Rossie	25,661,935	25,601,140	25,688,229	25,909,161	26,136,112
Total Assessed Values	$ 320,693,020	$ 93,899,266	$ 330,500,487	$ 335,515,163	$ 339,507,981
State Equalization Rates					
Towns of:					
Antwerp	90.00%	91.00%	85.00%	78.00%	72.00%
De Kalb	93.00%	93.00%	84.00%	78.00%	75.00%
Edwards	86.00%	86.00%	78.00%	70.00%	69.00%
Fowler	11.80%	11.80%	9.50%	8.80%	8.00%
Gouverneur	93.00%	93.00%	86.00%	81.00%	76.00%
Hermon	100.00%	100.00%	99.00%	88.00%	85.00%
Macomb	49.00%	48.50%	45.00%	42.00%	40.00%
Pitcairn	100.00%	100.00%	98.00%	100.00%	100.00%
Rossie	100.00%	100.00%	94.00%	88.00%	84.00%
Total Taxable Full Valuation	$ 493,445,222	$ 502,738,301	$ 573,728,818	$ 621,513,998	$ 672,900,836

Source: District officials.

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Antwerp	$ 14.63	$ 14.62	$ 13.92	$ 14.29	$ 14.58
De Kalb	14.16	14.30	14.08	14.29	14.00
Edwards	15.31	15.47	15.17	15.92	15.22
Fowler	111.59	112.73	124.55	126.65	131.29
Gouverneur	14.16	14.30	13.76	13.76	13.82
Hermon	13.16	13.28	11.95	12.66	12.35
Macomb	26.87	27.42	26.29	26.53	26.25
Pitcairn	13.16	13.30	12.07	11.14	10.50
Rossie	13.16	13.27	12.58	12.66	12.50

Source: District officials.

Tax Collection Procedure

Taxes are payable to the District Tax Collector beginning September 15th and ending October 15th without penalty. Payments made October 15th through November 15th carry a penalty of 2%. After November 15th, all unpaid taxes are returned to the County Treasurer for collection. Thus, the District is assured 100% collection of its tax levy each year.

Tax Levy and Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 6,564,852	$ 6,755,529	$ 6,860,162	$ 6,925,963	$ 7,066,189
Amount Uncollected (1)	737,871	691,556	840,713	815,284	854,600
% Uncollected	11.24%	10.24%	12.26%	11.77%	12.09%

(1) See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues (1)	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2019-2020	$ 35,358,784	$ 6,400,825	18.10%
2020-2021	36,407,395	6,527,316	17.93
2021-2022	37,384,396	6,714,722	17.96
2022-2023	39,183,759	6,851,269	17.48
2023-2024	41,448,946	7,018,919	16.93
2024-2025 (Budgeted) (2)	43,668,345	7,138,102	16.35
2024-2025 (Unaudited)	41,500,000	7,138,102	17.20
2025-2026 (Budgeted) (2)	45,974,171	8,280,678	18.01

(1) General fund only. This table is not audited. Revenues figures include interfund transfers, if any.
(2) Revenues figure does not include appropriated fund balance.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, the adopted budget and unaudited figures for the 2024-2025 fiscal year, and adopted budget figures for the 2025-2026 fiscal year. This table is not audited. The unaudited projections for the 2024-2025 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Larger Taxpayers 2024 for 2024-25 Tax Roll

Name	Type	Taxable Assessed Valuation
Niagara Mohawk Power Corp.	Utility	$ 15,792,032
CSX Transportation Inc.	Transportation	9,441,071
Verizon New York Inc.	Technology	4,169,173
Iroquois Gas Trans Systems	Utility	3,775,353
Kinney Drugs Inc.	Pharmaceutical	3,226,800
St. Lawrence Gas Co.	Utility	2,965,855
St. Lawrence Zinc Co. LLC	Utility	1,877,177
KE Emeryville, LLC	Commercial	540,400
Fowler Hydro, LLC	Utility	512,682
Hydro Development Group Inc.	Utility	348,800

The ten larger taxpayers listed above have a total taxable assessed valuation of $42,649,343, which represents 12.56% of the tax base of the District for the 2024-2025 fiscal year.

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

Source: District Tax Rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Antwerp	$ 61,990	$ 21,600	4/10/2025
De Kalb	64,580	22,500	4/10/2025
Edwards	59,410	20,700	4/10/2025
Fowler	6,890	2,490	4/10/2022
Gouverneur	65,440	22,800	4/10/2025
Hermon	73,190	25,500	4/10/2025
Macomb	34,440	12,000	4/10/2025
Pitcairn	86,100	30,000	4/10/2025
Rossie	72,320	25,200	4/10/2025

$771,862 of the District's $7,066,189 school tax levy for the 2024-25 fiscal year is expected to be exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately $770,000 of the District's $7,208,765 school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential - 85%; Commercial - 10%; and Agricultural - 5%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the District is approximately $1,900 including County, Village, Town and School District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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 Year

Fiscal Years Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 25,905,000	$ 23,465,000	$ 20,490,000	$ 18,230,000	$ 15,705,000
Bond Anticipation Notes	0	0	0	0	0
Other Debt(1)	0	0	107,568	114,719	78,362
Total Debt Outstanding	$ 25,905,000	$ 23,465,000	$ 20,597,568	$ 18,344,719	$ 15,783,362

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

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

Details of Outstanding Indebtedness

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

Type of Indebtedness	Maturity		Amount
Bonds	2026-2035		$ 14,210,000
Bond Anticipation Notes	-		0
		Total Indebtedness	$ 14,210,000

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

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Debt Statement Summary

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

Full Valuation of Taxable Real Property			$ 672,900,836
Debt Limit – 10% thereof			67,290,083
Inclusions:			
Bonds	$ 14,210,000		
Bond Anticipation Notes (BANs):	0		
Total Inclusions prior to issuance of the Notes	14,210,000		
Less: BANs being redeemed from appropriations (Total)	(0)		
Add: New money proceeds of the Notes (Total)	40,800,000		
Total Net Inclusions after issuance of the Notes		$ 55,010,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 55,010,000
Net Debt-Contracting Margin			$ 12,280,084
The percent of debt contracting power exhausted is			81.75%

[1] Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 96.6% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Notes: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Bonded Debt Service

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

Cash Flow Borrowings

The District has not issued tax and/or revenue anticipation notes in the past five fiscal years, and does not plan on issuing any such notes, or budget or deficiency notes, in the foreseeable future.

Capital Project Plans

District voters approved a $57,380,000 capital project proposition in December of 2023, to be funded with the use of $9,600,000 capital reserve funds and the issuance of up to $47,780,000 serial bonds. This project will include several components, focusing primarily at the High School and including classroom, heating and pool updates as well as an athletic stadium at the Middle School. The proceeds of the Notes will provide new monies for, and will represent the first borrowing against, this authorization.

There are presently no other capital projects authorized and unissued by the District, nor are any contemplated.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated indebtedness of the respective municipalities is outlined in the table below.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Jefferson	06/28/2024 [3]	$ 13,900,000	$ 610,000	$ 13,290,000	0.04%	$ 5,316
St. Lawrence	06/28/2024 [3]	21,750,000	455,000	21,295,000	9.09%	1,935,716
Town of:						
Antwerp	12/31/2023 [4]	30,306	- [5]	30,306	2.57%	779
De Kalb	12/31/2023 [4]	378,263	- [5]	378,263	23.31%	88,173
Edwards	12/31/2023 [4]	545,500	- [5]	545,500	8.26%	45,058
Fowler	12/31/2023 [4]	-	- [5]	-	99.80%	-
Gouverneur	12/31/2023 [4]	1,670,488	- [5]	1,670,488	100.00%	1,670,488
Hermon	12/31/2023 [4]	-	- [5]	-	9.16%	-
Macomb	12/31/2023 [4]	-	- [5]	-	43.00%	-
Pitcairn	12/31/2023 [4]	-	- [5]	-	1.70%	-
Rossie	12/31/2023 [4]	-	- [5]	-	46.61%	-
Village of:						
Gouverneur	5/22/2025 [3]	9,513,916	9,085,155	428,761	100.00%	428,761
					Total:	$ 4,168,975

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

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

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

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

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 16, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 55,010,000	$ 5,422.38	8.18%
Net Indebtedness Plus Net Overlapping Indebtedness [d]...........	59,178,975	5,833.31	8.79

(a) The 2023 estimated population of the District is 10,145. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2024-25 fiscal year is $672,900,836. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is $4,168,975. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

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 Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E" hereto.

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

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

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

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals in recent years generally would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and 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 the market price for, or marketability of, the Notes.

PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION, AS TO WHICH BOND COUNSEL EXPRESSES NO OPINION.

LEGAL MATTERS

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

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications; (ii) the scope of Bond Counsel's 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 therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent 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. The District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

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

The District does not have an underlying rating assigned to any outstanding bonds.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Dale Munn, Business Manager, 133 East Barney Street, Gouverneur, New York 13642, Phone: (315) 287-4836, Email: munn.dale@gcsk12.org.

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

GOUVERNEUR CENTRAL SCHOOL DISTRICT

Dated: June 16, 2025

DAVID FENLONG
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 6,077,800	$ 5,349,917	$ 5,037,074	$ 3,004,747	$ 6,230,310
Restricted Cash	5,852,059	8,681,476	12,911,710	16,713,414	10,246,201
Due from Other Funds	1,837,248	1,345,926	799,367	1,059,970	1,929,889
Due from Other Governments	917,826	1,176,651	1,158,643	1,328,558	1,322,673
Due from State and Federal	455,795	1,116,774	687,176	678,288	589,160
Other Receivables	77,505	183,217	253,507	217,911	77,960
Prepaid Expenditures	19,654	19,654	-	6,574	-
TOTAL ASSETS	$ 15,237,889	$ 17,873,615	$ 20,847,477	$ 23,009,462	$ 20,396,193
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 142,072	$ 287,308	$ 443,784	$ 406,447	$ 385,885
Accrued Liabilities	16,532	22,416	50,553	24,541	24,592
Due to Other Funds	208,835	-	1,000,212	88,927	1,161,016
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	974,964	1,032,486	1,125,434	1,262,404	1,232,131
Due to Employees' Retirement System	132,870	148,747	121,790	131,696	164,966
Other Liabilities	91,213	71,459	77,925	84,431	3,416
TOTAL LIABILITIES	1,566,486	1,562,416	2,819,698	1,998,446	2,972,006
FUND EQUITY					
Nonspendable	$ 19,654	$ 19,654	$ -	$ 6,574	$ -
Resticted	5,852,059	8,681,476	12,911,710	16,713,414	10,246,201
Appropriated	4,211,845	3,528,669	3,481,813	2,595,223	1,331,585
Unappropriated	3,587,845	4,081,400	1,634,256	1,695,805	5,846,401
TOTAL FUND EQUITY	13,671,403	16,311,199	18,027,779	21,011,016	17,424,187
TOTAL LIABILITIES and FUND EQUITY	$ 15,237,889	$ 17,873,615	$ 20,847,477	$ 23,009,462	$ 20,396,193

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
REVENUES					
Real Property Taxes	$ 6,370,927	$ 6,496,152	$ 6,686,829	$ 5,909,209	$ 6,098,382
Other Tax Items	29,898	31,164	27,893	942,060	920,537
Charges for Services	215,545	205,101	266,991	256,192	233,937
Use of Money & Property	177,041	16,014	49,165	770,551	1,015,097
Sale of Property and Compensation for Loss	3,716	10,516	17,389	4,012	9,756
Miscellaneous	426,923	575,243	465,123	488,564	481,604
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	28,103,534	28,342,717	29,292,764	30,683,540	32,609,825
Revenues from Federal Sources	-	730,488	121,371	70,662	79,808
Total Revenues	$ 35,327,584	$ 36,407,395	$ 36,927,525	$ 39,124,790	$ 41,448,946
Other Sources:					
Proceeds from Long-Term Debt	-	-	-	58,966	-
Interfund Transfers	31,200	-	456,871	-	-
Total Revenues and Other Sources	35,358,784	36,407,395	37,384,396	39,183,756	41,448,946
EXPENDITURES					
General Support	$ 4,978,160	$ 5,052,182	$ 5,393,654	$ 4,900,448	$ 4,920,598
Instruction	14,918,843	14,581,822	14,783,843	15,582,946	16,203,484
Pupil Transportation	2,500,770	1,914,006	2,640,303	2,924,120	2,605,345
Community Services	-	-	-	2,044	2,429
Employee Benefits	7,828,217	8,150,952	7,949,490	8,316,880	8,060,067
Debt Service	3,479,887	4,025,131	3,810,456	4,345,906	2,367,427
Other Expenses	-	-	-	-	-
Total Expenditures	$ 33,705,877	$ 33,724,093	$ 34,577,746	$ 36,072,344	$ 34,159,350
Other Uses:					
Interfund Transfers	124,474	43,506	1,090,071	128,175	10,876,425
Total Expenditures and Other Uses	33,830,351	33,767,599	35,667,817	36,200,519	45,035,775
Excess (Deficit) Revenues Over Expenditures	1,528,433	2,639,796	1,716,579	2,983,237	(3,586,829)
FUND BALANCE					
Fund Balance - Beginning of Year	12,142,970	13,671,403	16,311,199	18,027,779	21,011,016
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 13,671,403	$ 16,311,199	$ 18,027,778	$ 21,011,016	$ 17,424,187

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024 Original Budget	2024 Final Budget	2024 Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 6,925,551	$ 6,925,551	$ 6,098,382	$ 7,066,189	$ 7,208,765
Other Tax Items	75,913	75,913	920,537	71,913	1,071,913
Charges for Services	60,000	60,000	233,937	60,000	96,000
Use of Money & Property	224,250	224,250	1,015,097	337,550	774,750
Sale of Property and Compensation for Loss	1,000	1,000	9,756	200	900
Miscellaneous	175,000	178,110	481,604	187,000	380,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	32,277,260	32,277,260	32,609,825	35,895,493	34,841,843
Revenues from Federal Sources	-	-	79,808	50,000	700,000
Total Revenues	$ 39,738,974	$ 39,742,084	$ 41,448,946	$ 43,668,345	$ 45,074,171
Other Sources:					
Appropriated Fund Balance	2,896,446	13,220,742	-	1,828,240	1,866,806
Proceeds from Long-Term Debt	-	-	-	-	-
Interfund Transfers	-	-	-	-	900,000
Total Revenues and Other Sources	42,635,420	52,962,826	41,448,946	45,496,585	47,840,977
EXPENDITURES					
General Support	$ 5,622,427	$ 5,622,427	$ 4,920,598	$ 5,947,605	$ 6,874,195
Instruction	19,321,928	19,493,814	16,203,484	21,050,627	21,217,836
Pupil Transportation	3,268,776	4,148,726	2,605,345	5,387,722	4,933,700
Community Services	10,000	10,000	2,429	10,400	9,600
Employee Benefits	10,134,539	9,810,109	8,060,067	10,579,981	11,170,146
Debt Service	2,975,750	2,975,750	2,367,427	2,280,250	2,275,500
Other Expenses	-	-	-	-	-
Total Expenditures	$ 41,333,420	$ 42,060,826	$ 34,159,350	$ 45,256,585	$ 46,480,977
Other Uses:					
Interfund Transfers	1,302,000	10,902,000	10,876,425	240,000	1,360,000
Total Expenditures and Other Uses	42,635,420	52,962,826	45,035,775	45,496,585	47,840,977
Excess (Deficit) Revenues Over Expenditures	-	-	(3,586,829)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	21,011,016	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 17,424,187	$ -	$ -

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

APPENDIX - A3
Gouverneur CSD

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending May 31:	2020	2021	2022	2023	2024
SPECIAL AID FUND					
Fund Equity - Beginning of Year	$ -	$ -	$ -	$ -	$ -
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	2,373,744	2,137,425	3,657,512	5,732,952	6,753,680
Expenditures & Other Uses	2,373,744	2,137,425	3,657,512	5,732,952	6,753,680
Fund Equity - End of Year	$ -	$ -	$ -	$ -	$ -
SCHOOL FOOD SERVICE					
Fund Equity - Beginning of Year	$ 311,911	$ 412,636	$ 1,046,208	$ 1,420,327	$ 1,163,753
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	1,163,260	1,531,329	1,326,126	1,211,972	1,402,876
Expenditures & Other Uses	1,062,535	897,757	952,007	1,468,546	1,770,647
Fund Equity - End of Year	$ 412,636	$ 1,046,208	$ 1,420,327	$ 1,163,753	$ 795,982
CAPITAL FUND					
Fund Equity - Beginning of Year	$ 458,464	$ 482,695	$ 98,606	$ 1,365,602	$ 308,812
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	6,774,145	762,072	1,369,085	52,611	11,039,277
Expenditures & Other Uses	6,749,914	1,146,161	102,089	1,109,401	957,571
Fund Equity - End of Year	$ 482,695	$ 98,606	$ 1,365,602	$ 308,812	$ 10,390,518
DEBT SERVICE FUND					
Fund Equity - Beginning of Year	$ 1,033,244	$ 1,115,839	$ 1,120,583	$ 666,280	$ 713,607
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	113,795	4,744	2,568	47,327	80,054
Expenditures & Other Uses	31,200	-	456,871	-	-
Fund Equity - End of Year	$ 1,115,839	$ 1,120,583	$ 666,280	$ 713,607	$ 793,661
MISCELLANEOUS SPECIAL REVENUE FUND					
Fund Equity - Beginning of Year	$ -	$ 17,484	$ 17,943	$ 18,354	$ 18,916
Prior Period Adjustments (net)	-	-	-	-	-
Revenues & Other Sources	-	459	411	562	1,106
Expenditures & Other Uses	-	-	-	-	-
Fund Equity - End of Year	$ -	$ 17,943	$ 18,354	$ 18,916	$ 20,022

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 1,495,000	$ 785,250.00	$ 2,280,250.00
2026	1,565,000	710,500.00	2,275,500.00
2027	1,640,000	632,250.00	2,272,250.00
2028	1,735,000	550,250.00	2,285,250.00
2029	1,795,000	463,500.00	2,258,500.00
2030	1,870,000	373,750.00	2,243,750.00
2031	1,940,000	280,250.00	2,220,250.00
2032	2,015,000	183,250.00	2,198,250.00
2033	1,220,000	82,500.00	1,302,500.00
2034	210,000	21,500.00	231,500.00
2035	220,000	11,000.00	231,000.00
TOTALS	$ 15,705,000	$ 4,094,000.00	$ 19,799,000.00

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

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2018 Capital Project - DASNY			2020 Capital Project - DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 1,245,000	$ 621,000.00	$ 1,866,000.00	$ 250,000	$ 164,250.00	$ 414,250.00
2026	1,295,000	558,750.00	1,853,750.00	270,000	151,750.00	421,750.00
2027	1,355,000	494,000.00	1,849,000.00	285,000	138,250.00	423,250.00
2028	1,435,000	426,250.00	1,861,250.00	300,000	124,000.00	424,000.00
2029	1,485,000	354,500.00	1,839,500.00	310,000	109,000.00	419,000.00
2030	1,545,000	280,250.00	1,825,250.00	325,000	93,500.00	418,500.00
2031	1,590,000	203,000.00	1,793,000.00	350,000	77,250.00	427,250.00
2032	1,640,000	123,500.00	1,763,500.00	375,000	59,750.00	434,750.00
2033	830,000	41,500.00	871,500.00	390,000	41,000.00	431,000.00
2034	-	-	-	210,000	21,500.00	231,500.00
2035	-	-	-	220,000	11,000.00	231,000.00
TOTALS	$ 12,420,000	$ 3,102,750.00	$ 15,522,750.00	$ 3,285,000	$ 991,250.00	$ 4,276,250.00

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 aforedescribed material event notices, if any, on or before the date specified.

The School District reserves the right to terminate its obligation to provide the aforedescribed 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(s) at closing.

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GOUVERNEUR CENTRAL SCHOOL DISTRICT

ST. LAWRENCE AND JEFFERSON COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024

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

GOUVERNEUR CENTRAL SCHOOL DISTRICT
GOUVERNEUR, NEW YORK

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

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I. Comprehensive Annual Financial Report

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Crowley & Halloran, CPAs, P.C.

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NYSSCPA
Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

Independent Auditors' Report

To the Board of Education
Gouverneur Central School District

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gouverneur 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 Gouverneur Central School District's basic financial statements as listed in the table of contents.

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

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

Emphasis of Matter
Change in Accounting Estimate
We draw attention to Note 18 to the financial statements which disclose the effects of Gouverneur Central School District's change in the Actuary Report for the year ended June 30, 2023, and the restatement of beginning net position for the net effect of the changes in OPEB liability, deferred inflows of resources and deferred outflows of resources. Our opinion is not modified with respect to this matter.

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.

Independent Auditors' Report (continued)

***Responsibilities of Management for the Financial Statements* (continued)**
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 Gouverneur Central School District s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of changes in the District's total OPEB liability and related ratios, the schedule of the local government's proportionate share of the net pension liability, and the schedule of the local government's share of contributions as listed in the table of contents be presented to supplement the basic financial statements.

Independent Auditors' Report (continued)

Required Supplementary Information **(continued)**
Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gouverneur Central School District's basic financial statements. Other supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America and/or New York State Education Department. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Crowley & Halloran CPAs P.C.
September 25, 2024
Watertown, New York

The following discussion and analysis of Gouverneur Central School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the School District's financial performance. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Gouverneur Central School District (the "School District") is considered a Rural School District. The School District has land area of approximately 226 square miles and an estimated population of 11,376. Included in the district are all of the Village of Gouverneur, all of the Town of Gouverneur, and portions of the Towns of DeKalb, Edwards, Fowler, Hermon, Macomb, Pitcairn, Rossie, and Antwerp. The District is located in the western portion of St. Lawrence County, in the northern sector of New York State.

The School District operates under a locally-elected Board form of government consisting of nine members elected at-large for staggered three year terms. The Board of Education is the policy-making body of the School District. The President and the Vice President are elected by the Board members. The board must ensure that district expenditures do not exceed the budget approved by the voters.

The duties of the administrative offices of the School District are to implement the policies of the Board of Education and supervise the operation of the school system. The Superintendent of Schools is the chief executive officer.

The School District is staffed by 260 full-time and part-time employees who provide services to approximately 1,440 students. The School District currently operates one elementary school (PK-4), one middle school (5-8) and one high school (9-12). The district runs 25 buses and averages 1,952 miles daily.

Extraclassroom Activity Funds – These funds are considered a component unit of the School District. Financial statements for these funds can be found in this report.

Parent Teacher Organizations and Booster Clubs – The School District is not involved in the budgeting or management, is not responsible for any debt, and has minimal influence over these organizations.

FINANCIAL HIGHLIGHTS

- Among major funds, the General Fund had $41,448,946 in incoming monies and $45,035,775 in monies going out. The General Fund's balance decreased $3,586,829 from the 2022-23 fiscal year. The district decreased reserves $6,467,213 by transferring funds to the Capital Fund for the new capital project which is in the planning stages. The 2023-24 tax levy set by the Board of Education was a 2% increase from the prior year.
- As a whole, the school district's net position increased $2,364,525 as compared to the prior year which increased $4,668,754 after the restatement for the change in accounting estimate is considered.

OVERVIEW OF THE FINANCIAL STATEMENTS

The School District's annual report consists of three parts: management's discussion & analysis, the basic financial statements, and required supplementary information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents Management's Discussion and Analysis (MD&A). It precedes the financial statements, and its purpose is to put current financial performance in perspective relative to past performance and future expectations.

Reclassifications

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Restatements

The prior year comparison information in the Management's Discussion and Analysis (MD&A) has not been restated for the change in accounting estimate relating to the OPEB.

BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the School District, district-wide and fund financial statements.

District-wide Financial Statements

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

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

District-wide Financial Statements (continued)
All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

Fund Financial Statements
The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

Governmental Funds - include most of the School District's basic services. They 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.

- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- The governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs.
- Because this information does not encompass the additional long-term focus of the district-wide statements, additional information detailed in Note 2 of the financial statements explains the relationship (or differences) between them.

Fiduciary Funds - the School District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds.

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

Fund Financial Statements (continued)

- The School District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.
- The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

The basic financial statements and notes are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Condensed Statement of Net Position

	Governmental Activities and Total School District			
	2024	2023	$ Change	% Change
Current and Other Assets	$ 31,662,274	$ 25,625,993	$ 6,036,281	23.6%
Capital & Pension Asset	43,347,234	44,095,340	(748,106)	(1.7%)
Total Assets	75,009,508	69,721,333	5,288,175	7.6%
Deferred Outflows of Resources	18,929,596	24,145,864	(5,216,268)	(21.6%)
Long-Term Debt Outstanding	128,879,190	107,518,949	21,360,241	19.9%
Other Liabilities	3,690,883	4,160,470	(469,587)	(11.3%)
Total Liabilities	132,570,073	111,679,419	20,890,654	18.7%
Deferred Inflows of Resources	15,506,632	31,588,234	(16,081,602)	(50.9%)
Net Position				
Net Investment in Capital Assets	26,138,613	25,085,821	1,052,792	4.2%
Restricted	21,624,337	18,029,754	3,594,583	19.9%
Unrestricted	(101,900,551)	(92,516,031)	(9,384,520)	(10.1%)
Total Net Position (Deficit)	$ (54,137,601)	$ (49,400,456)	$(4,737,145)	(9.6%)

Total net position decreased by $4,737,145 because of the following:

- Total Assets increased $5,288,175. Current and other assets increased by $6,036,281 as a result of increase in restricted cash and increase in due from state and federal amounts. Capital assets decreased $748,106 due to the net effect of the on-going capital project, purchases for buses and equipment, and the annual depreciation expense on the District's capital assets as well as the right-to-use lease asset and associated accumulated amortization.

- The District recorded its proportionate share of the Deferred Outflows of Resources related to pensions of $6,286,035, for a decrease of $1,222,784 from 2022-23. The District recorded deferred outflows of resources $12,643,561 related to the Other Post-Employment Benefits (OPEB), for a decrease of $3,993,484.

- Total Liabilities increased $20,890,654. Long-term Liabilities increased by $21,360,241 from a combination of 1) the District's Actuarial calculated Other Post-Employment Benefits increased $23,837,402 from $86,583,139 to $110,420,541 for post-employment healthcare benefits of current and retired employees of the District; 2) the scheduled debt repayment on the 2018 and 2020 Serial Bonds of $1,470,000, 3) the District recorded its proportionate share of the pension liability of $2,549,619 in the current year, for a decrease of $943,934 from the prior year. Current liabilities decreased overall $469,587 as a result of the decrease in accounts payable and accrued liabilities of $78,439, and other liabilities decrease of $395,082 due to recognition of bond premiums District bonds decreasing interest expense and a reduction of unearned grant revenue.

- The District recorded its proportionate share of the Deferred Inflows of Resources $1,379,609 in accordance with the GASB #68 standard, this increased by $749,828. The District also recorded deferred inflows related to OPEB in the amount of $14,127,023, this was a decrease of $16,831,430 from the 2022-2023 year, overall inflows of resources decreased $16,081,602.
- Restricted net position reflects increases in various reserves and fund balances that are restricted by purpose.

Net Position from Operating Results

	Governmental Activities and Total School District			
	2024	2023	$ Change	% Change
Revenues				
Program Revenues				
Charges for Services	$ 295,611	$ 315,885	$ (20,274)	(6.4%)
Operating Grants and Contributions	7,586,507	6,384,333	1,202,174	18.8%
General Revenues				
Property Taxes and Other Tax Items	7,018,919	6,851,269	167,650	2.4%
State Formula Aid	32,609,825	30,736,151	1,873,674	6.1%
Federal Aid	79,808	70,662	9,146	12.9%
Interest Earnings	1,354,555	834,998	519,557	62.2%
Miscellaneous	904,289	830,451	73,838	8.9%
Total Revenues and Special Items	49,849,514	46,023,749	3,825,765	8.3%
Expenses				
General Support	10,125,979	6,412,788	3,713,191	57.9%
Instruction	31,910,446	23,045,147	8,865,299	38.5%
Transportation	2,933,411	2,792,774	140,637	5.0%
Community Services	3,150	1,156	1,994	172.5%
Debt Service - Interest	563,467	655,551	(92,084)	(14.0%)
Cost of Sales - Food	1,948,536	1,345,909	602,627	44.8%
Total Expenses	47,484,989	34,253,325	13,231,664	38.6%
(Decrease) Increase in Net Position	$ 2,364,525	$ 11,770,424	$(9,405,899)	(79.9%)

Revenues:

Total revenues increased $3,825,765 as shown above because of the following: 1) increase of $1,202,174 in Operating Grants from Federal sources: 2) increase of $1,873,674 in State Aid General Operating Aid, Excess Costs Aid and Lottery Aid payments; 3) increase in interest earnings by $519,557; 4) increase of $167,650 in Property Taxes; and 4) increase in miscellaneous of $73,838.

Expenses:

General Support: This Consists of the Board of Education, Central Administration, Finance, Personnel, Maintenance, Utilities, Central Printing, Central Data Processing, Fire and Liability Insurance, Employee Benefits, and BOCES Administrative costs. This area has increased 57.9% from the increase in employee benefits related to OPEB.

Instruction and Transportation: The instructional area had an increase of 38.5%. This covers contractual agreements for salaries and employee benefits, as well as the purchase of supplies and materials. The increase is attributable to the rise in employee benefits related to OPEB. Transportation expenses increased 5.0% because of the net of increases to the transportation contract and rising prices for gasoline and diesel fuel, and increased bus repairs.

Debt Service Expenses: This area decreased $92,084 or (14%) because the District's scheduled Serial Bond interest payments are decreasing as the bonds are paid down.

School Lunch Program: This area increased $602,627 or 44.8% due to the net of increases in food purchases, salaries, materials and supplies and rise in employee benefits related to OPEB.

Governmental Activities

The following analysis compares the total cost of services provided by the District in relation to the net cost of providing the service after considering program service revenues generated and program operating grants.

Net Cost of Governmental Activities

	Total Cost of Services		%	Net Cost of Services		%
	2024	2023	Change	2024	2023	Change
General Support	$ 10,125,979	$ 6,412,788	57.9%	$ 10,125,979	$ 6,412,788	57.9%
Instruction	31,910,446	23,045,147	38.5%	25,385,524	17,510,498	45.0%
Pupil Transportation	2,933,411	2,792,774	5.0%	2,933,411	2,792,774	5.0%
Community Service	3,150	1,156	172.5%	3,150	1,156	172.5%
Debt Service - Interest	563,467	655,551	(14.0%)	563,467	655,551	(14.0%)
Cost of Sales	1,948,536	1,345,909	44.8%	591,340	180,340	227.9%
Total	$ 47,484,989	$34,253,325	38.6%	$ 39,602,871	$ 27,553,107	43.7%

The District strives to control and reduce cost for our taxpayers, while maintaining program and staffing appropriate for current enrollment.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the fiscal year 2024, the School District had $43,347,234 invested in land, buildings, furniture and equipment, vehicles, and right-to-use leased assets. The following table compares fiscal 2024 balances to 2023.

Capital Assets

	Governmental Activities and Total School District			
	2024	2023	$ Change	% Change
Land	$ 299,027	$ 299,027	$ -	0.0%
Construction in Progress	2,313,972	1,356,401	957,571	70.6%
Buildings (net of depreciation)	37,081,746	38,691,505	(1,609,759)	(4.2%)
Vehicles, Equipment and Furniture (net of depreciation)	3,562,283	3,608,158	(45,875)	(1.3%)
*Right-to-Use Leased Assets: (net of amortization)	90,206	140,249	(50,043)	(35.7%)
Total	$ 43,347,234	$44,095,340	$ (748,106)	(1.7%)

Capital Assets include depreciation and amortization expense of $2,431,296.

During fiscal year 2024 the District made one bus purchases $186,330. Expenditures were made on capital projects of $957,571. The District purchased $457,468 of equipment and $81,821 in building improvements.

Long-Term Liabilities

	Governmental Activities and Total School District			
	2024	2023	$ Change	% Change
General Obligation Bonds	$ 15,705,000	$17,175,000	$ (1,470,000)	(8.6%)
Other Post-employment Benefits	110,420,541	86,583,139	23,837,402	27.5%
Compensated Absences	125,669	152,538	(26,869)	(17.6%)
Leases Payable	78,361	114,719	(36,358)	(31.7%)
Pension Liabilities	2,549,619	3,493,553	(943,934)	(27.0%)
Total	$ 128,879,190	$107,518,949	$ 21,360,241	19.9%

General Obligation Bonds: The District paid $1,470,000 in scheduled principal payments on the 2020 and 2018 Serial Bonds.

Other Post-employment Healthcare Benefits: In accordance with GASB Statement #75 the District's liability for Post-employment Benefits increased $23,837,402 from FY23 totaling $110,420,541 at the end of FY24.

Pension Liabilities: The District recorded its proportionate share of the pension liability of $2,549,619 in 2024 a decrease of $943,934 from 2023 in accordance with the GASB #68 related to the TRS and ERS pension systems.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

General Fund Budgetary Highlights

Gouverneur Central School District's General Fund had $41,448,946 in incoming monies and $45,035,775 in monies going out, including transfers. The General Fund's balance decreased $3,586,829. For the 2023-24 fiscal year, the District was able to limit the levy increase to 2%.

The 2023-24 comparison of final budget to actual expenditures and year-end encumbrances highlights a few areas in the District's budget with large variances. These areas are Central Services; Teaching – Regular School; Programs for Students with Disabilities; Pupil Transportation; and Employee Benefits.

The Central Services area includes the utilities; repairs; maintenance contracts; supplies and custodial and maintenance staff for the District.

The major expenditures in Teaching-Regular School is generated from instructional salaries, BOCES services, and contractual. Instructional salaries are budgeted in General Fund because grant funding is not known at the time the budget is adopted. The district received additional federal funding through grants in 2023-24 which was used for salaries, benefits, supplies and contractual expenses. The district had open positions during the school year that they were unable to fill. BOCES services are estimated during the budget process. An amount is built into the budget for needs not identified at budget time. These funds are then available if the need arises.

The Program for Students with Disabilities is highly dependent upon the students which can change daily. Staffing and service needs are highly volatile. Families and students move in and out of the district throughout the school year. The District must be fiscally prepared to provide the services in-house or contract with BOCES or another district if need be. This year we were able to meet all of the students' needs.

Pupil Transportation consists of bus purchases; purchase of supplies including gasoline and diesel fuel at variable prices; utilities and insurance on the bus garage; and costs of our transportation contracts. The transportation budget is developed by looking at actual data from prior years to predict the needs. The district did have similar amounts of bus runs in FY24 as it did in FY23. The lower expenditures in transportation relative to budget can be attributed to fuel prices not being impacted as much as expected by supply chain problem and higher costs as well as ordered buses not arriving in FY24.

The variance in Employee Benefits is affected by two factors. The factors are benefits allocated to grants and the Cafeteria Fund which are unknown at the time of budget development and the amount of current and retirees' contributions towards the benefits. The influx of federal grant dollars has enabled the District to allocate salaries and the corresponding benefits to the grants.

Current Financial Issues and Concerns

The financial and economic condition of the School District could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the townships, state and 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, Tax Certioraris or otherwise, will not occur which might adversely affect the School District.

The School District is heavily dependent on financial assistance from the State and Federal Governments and the local property tax. These issues require management to plan carefully and prudently to provide the resources to meet student needs of the next several years.

In conclusion, the Gouverneur Central School District has committed itself to financial stability for many years. The School District plans to continue its sound fiscal management to meet the challenges of the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Manager, Gouverneur Central School District, 133 East Barney Street, Gouverneur, New York, 13642, or call 315-287-4836.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Total Governmental Funds
ASSETS	
Unrestricted Cash	$ 17,728,392
Restricted Cash	10,266,223
Due from Fiduciary Funds	-
Due from Other Governments	1,322,673
Due from State and Federal	2,157,136
Other Receivables	111,595
Prepaid Expenditures	19,542
Inventories	56,713
Capital Assets, Net	43,347,234
Net Pension Asset-Proportionate Share	-
Total Assets	75,009,508
DEFERRED OUTFLOWS OF RESOURCES	
Pension	6,286,035
Other Post Employment Benefits Related	12,643,561
Total Deferred Outflows of Resources	18,929,596
LIABILITIES	
Accounts Payable	766,389
Accrued Liabilities	27,654
Retainage	-
Due to Fiduciary Funds	-
Due to Other Governments	1,498
Due to Teachers' Retirement System	1,232,131
Due to Employees' Retirement System	164,966
Bond Anticipation Notes Payable	-
Other Liabilities	1,498,245
Long-term Liabilities	
Due and Payable Within One Year	
Bonds Payable	1,495,000
Leases Payable	33,451
Due and Payable After One Year	
Compensated Absences Payable	125,669
Bonds Payable	14,210,000
Leases Payable	44,910
Other Postemployment Benefits	110,420,541
Net Pension Liability - Proportionate Share	2,549,619
Total Liabilities	132,570,073
DEFERRED INFLOWS OF RESOURCES	
Pension Related	1,379,609
Other Post Employment Benefits Related	14,127,023
Total Deferred Inflows of Resources	15,506,632
NET POSITION	
Net Investment in Capital Assets	26,138,613
Restricted	21,624,337
Unrestricted	(101,900,551)
Total Net Position	$ (54,137,601)

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS				
General Support	$ 10,125,979	$ -	$ -	$(10,125,979)
Instruction	31,910,446	233,937	6,290,985	(25,385,524)
Pupil Transportation	2,933,411	-	-	(2,933,411)
Community Services	3,150	-	-	(3,150)
Debt Service Expense	563,467	-	-	(563,467)
School Lunch Program	1,948,536	61,674	1,295,522	(591,340)
Total Functions and Programs	$ 47,484,989	$ 295,611	$ 7,586,507	(39,602,871)
GENERAL REVENUES				
Real Property Taxes				6,098,382
Other Tax Items				920,537
Interest Income				1,354,555
Use of Money and Property				26,042
Sale of Property & Compensation for Loss				9,756
Miscellaneous				868,491
State Sources				32,609,825
Federal Sources				79,808
Total General Revenues and Special Items				41,967,396
Changes in Net Position				2,364,525
Net Position - Beginning of Year				(49,400,456)
Restatement for Change in Accounting Estimate				(7,101,670)
Net Position - Beginning of Year Restated for Change in Accounting Estimate				(56,502,126)
Net Position - End of year				$(54,137,601)

GOUVERNEUR CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	Governmental Fund Types						Total
	General	Special Aid	School Food Service	Debt Service	Capital	Non-Major Governmental	Governmental Funds
ASSETS							
Unrestricted Cash	$ 6,230,310	$ 458,171	$ 764,915	$ 793,661	$ 9,476,335	$ 5,000	$ 17,728,392
Restricted Cash	10,246,201	-	-	-	-	20,022	10,266,223
Due from Other Funds	1,929,889	45,377	-	-	1,115,639	-	3,090,905
Due from Fiduciary Funds	-	-	-	-	-	-	-
Due from Other Governments	1,322,673	-	-	-	-	-	1,322,673
Due from State and Federal	589,160	1,478,375	89,601	-	-	-	2,157,136
Other Receivables	77,960	33,635	-	-	-	-	111,595
Prepaid Expenditures	-	-	-	-	19,542	-	19,542
Inventories	-	-	56,713	-	-	-	56,713
Total Assets	20,396,193	2,015,558	911,229	793,661	10,611,516	25,022	34,753,179
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
LIABILITIES AND FUND BALANCE							
Accounts Payable	385,885	169,318	9,730	-	201,456	-	766,389
Accrued Liabilities	24,592	3,062	-	-	-	-	27,654
Due to Other Funds	1,161,016	1,809,995	100,352	-	19,542	-	3,090,905
Due to Fiduciary Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	1,498	-	-	-	1,498
Due to Teachers' Retirement System	1,232,131	-	-	-	-	-	1,232,131
Due to Employees' Retirement System	164,966	-	-	-	-	-	164,966
Bond Anticipation Notes Payable	-	-	-	-	-	-	-
Other Liabilities	3,416	33,183	3,667	-	-	-	40,266
Total Liabilities	2,972,006	2,015,558	115,247	-	220,998	-	5,323,809
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balance:							
Non-spendable	-	-	56,713	-	-	-	56,713
Restricted	10,246,201	242,877	6,112	713,607	10,390,518	25,022	21,624,337
Committed	-	-	-	-	-	-	-
Assigned	1,331,585	-	733,157	80,054	-	-	2,144,796
Unassigned	5,846,401	(242,877)	-	-	-	-	5,603,524
Total Fund Balance	17,424,187	-	795,982	793,661	10,390,518	25,022	29,429,370
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 20,396,193	$ 2,015,558	$ 911,229	$ 793,661	$ 10,611,516	$ 25,022	$ 34,753,179

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted Cash	$ 17,728,392	$ -	$ -	$ 17,728,392
Restricted Cash	10,266,223	-	-	10,266,223
Due from Other Funds	3,090,905	-	(3,090,905)	-
Due from Fiduciary Funds	-	-	-	-
Due from Other Governments	1,322,673	-	-	1,322,673
Due from State and Federal	2,157,136	-	-	2,157,136
Other Receivables	111,595	-	-	111,595
Prepaid Expenditures	19,542	-	-	19,542
Inventories	56,713	-	-	56,713
Assets Held for Sale	-		-	-
Capital Assets, Net	-	43,347,234	-	43,347,234
Net Pension Asset-Proportionate Share	-	-	-	-
Total Assets	34,753,179	43,347,234	(3,090,905)	75,009,508
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	-	6,286,035	-	6,286,035
Other Post Employment Benefits Related	-	12,643,561	-	12,643,561
Total Deferred Outflows of Resources	-	18,929,596	-	18,929,596
LIABILITIES				
Accounts Payable	766,389	-	-	766,389
Accrued Liabilities	27,654	-	-	27,654
Retainage	-	-	-	-
Due to Other Funds	3,090,905	-	(3,090,905)	-
Due to Fiduciary Funds	-	-	-	-
Due to Other Governments	1,498	-	-	1,498
Due to Teachers' Retirement System	1,232,131	-	-	1,232,131
Due to Employees' Retirement System	164,966	-	-	164,966
Bond Anticipation Notes Payable	-	-	-	-
Other Liabilities	40,266	1,457,979	-	1,498,245
Bonds Payable Due Within One Year	-	1,495,000	-	1,495,000
Leases Payable Due Within One Year	-	33,451	-	33,451
Compensated Absences Payable Due After One Year	-	125,669	-	125,669
Bonds Payable Due After One Year	-	14,210,000	-	14,210,000
Leases Payable Due After One Year	-	44,910	-	44,910
Other Postemployment Benefits	-	110,420,541	-	110,420,541
Net Pension Liability - Proportionate Share	-	2,549,619	-	2,549,619
Total Liabilities	5,323,809	130,337,169	(3,090,905)	132,570,073
DEFERRED INFLOWS OF RESOURCES				
Pension Related		1,379,609	-	1,379,609
Other Post Employment Benefits Related	-	14,127,023	-	14,127,023
Total Deferred Inflows of Resources	-	15,506,632	-	15,506,632
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	29,429,370	(83,566,971)	-	(54,137,601)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	$ 34,753,179	$ 62,276,830	$ (3,090,905)	$ 93,939,104

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Fund Types						Total
	General	Special Aid	School Food Service	Debt Service	Capital	Non-Major Governmental	Total Governmental Funds
REVENUES							
Real Property Taxes	$ 6,098,382	$ -	$ -	$ -	$ -	$ -	$ 6,098,382
Other Tax Items	920,537	-	-	-	-	-	920,537
Charges for Services	233,937	-	-	-	-	-	233,937
Use of Money and Property	1,015,097	-	45,063	80,054	239,277	1,106	1,380,597
Sale of Property and Compensation for Loss	9,756	-	-	-	-	-	9,756
Miscellaneous	481,604	386,299	588	-	-	-	868,491
State Sources	32,609,825	878,036	178,362	-	-	-	33,666,223
Federal Sources	79,808	5,412,949	1,037,407	-	-	.	6,530,164
Surplus Food	-	-	79,753	-	-	-	79,753
Sales	-	-	61,674	-	-	-	61,674
Total Revenues	41,448,946	6,677,284	1,402,847	80,054	239,277	1,106	49,849,514
EXPENDITURES							
General Support	4,920,598	72,990	-	-	-	-	4,993,588
Instruction	16,203,484	5,569,288	-	-	-	-	21,772,772
Pupil Transportation	2,605,345	-	-	-	-	-	2,605,345
Community Services	2,429	-	-	-	-	-	2,429
Employee Benefits	8,060,067	1,111,402	285,185	-	-	-	9,456,654
Debt Service	2,367,427	-	-	-	-	-	2,367,427
Cost of Sales	-	-	1,485,462	-	-	-	1,485,462
Capital Outlay	-	-	-	-	957,571	-	957,571
Total Expenditures	34,159,350	6,753,680	1,770,647	-	957,571	-	43,641,248
Excess (Deficit) Revenues Over Expenditures	7,289,596	(76,396)	(367,800)	80,054	(718,294)	1,106	6,208,266
OTHER FINANCING SOURCES AND USES							
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Lease Financing	-	-	-	-	-	-	-
Operating Transfers In	-	76,396	29	-	10,800,000	-	10,876,425
Operating Transfers (Out)	(10,876,425)	-	-	-	-	-	(10,876,425)
Total Other Sources (Uses)	(10,876,425)	76,396	29	-	10,800,000	-	-
Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)	(3,586,829)	-	(367,771)	80,054	10,081,706	1,106	6,208,266
Fund Balance, Beginning of Year	21,011,016	-	1,163,753	713,607	308,812	23,916	23,221,104
Fund Balance, End of Year	$ 17,424,187	$ -	$ 795,982	$ 793,661	$ 10,390,518	$ 25,022	$ 29,429,370

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Total Governmental Funds	Capital Related Items	Long-term Revenue, Expenses	Long-term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
REVENUES						
Real Property Taxes	$ 6,098,382	$ -	$ -	$ -	$ -	$ 6,098,382
Other Tax Items	920,537	-	-	-	-	920,537
Charges for Services	233,937	-	-	-	-	233,937
Use of Money and Property	1,380,597	-	-	-	-	1,380,597
Sale of Property and Compensation for Loss	9,756	-	-	-	-	9,756
Miscellaneous	868,491	-	-	-	-	868,491
State Sources	33,666,223	-	-	-	-	33,666,223
Federal Sources	6,530,164	-	-	-	-	6,530,164
Surplus Food	79,753	-	-	-	-	79,753
Sales	61,674	-	-	-	-	61,674
Total Revenues and Special Items	49,849,514	-	-	-	-	49,849,514
EXPENDITURES						
General Support	4,993,588	547,290	-	-	4,585,101	10,125,979
Instruction	21,772,772	823,923	-	-	9,313,751	31,910,446
Pupil Transportation	2,605,345	286,083	-	-	41,983	2,933,411
Community Services	2,429	-	-	-	721	3,150
Employee Benefits	9,456,654	-	4,899,595	-	(14,356,249)	-
Debt Service	2,367,427	-	-	(1,803,960)	-	563,467
Cost of Sales	1,485,462	48,381	-	-	414,693	1,948,536
Capital Outlay	957,571	(957,571)	-	-	-	-
Total Expenditures	43,641,248	748,106	4,899,595	(1,803,960)	-	47,484,989
Excess (Deficit) Revenues Over Expenditures	6,208,266	(748,106)	(4,899,595)	1,803,960	-	2,364,525
OTHER FINANCING SOURCES AND USES						
Proceeds (Uses) from Debt	-	-	-	-	-	-
Operating Transfers In (Out)	-	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-	-
Net Change for the Year	$ 6,208,266	$ (748,106)	$ (4,899,595)	$ 1,803,960	$ -	$ 2,364,525

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

Amounts reported for governmental activities in the statement of net position are different because:	
Net Change in Fund Balances - Total Governmental Funds	$ 6,208,266
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period, net of related losses on disposal of capital assets	
Capital Outlays - Net	957,571
Depreciation Expense	(2,381,253)
Additions to Vehicles, Equipment and Leases	725,619
Amortization Expense	(50,043)
In the Statement of Activities, the gain/loss on the disposal of assets is reported as an increase/decrease in the financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	-
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.	1,470,000
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.	36,358
Proceeds of long-term debt is recorded as an other financing source for governmental funds, but it is not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year.	-
Proceeds from bond premiums are reported in governmental funds as revenues, however in the Statement of Activities, the unearned revenue is allocated over the life of the bonds as a reduction of interest expense. This is the amount that the current year premiums received exceeds the amortization in the period.	294,540
(Increases) decreases in accrued interest on bonds payable recognized in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	3,062
(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	26,869
On the Statement of Activities, the actual and projected long term expenditures for post employment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for post employment benefits.	(3,897,786)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds	
Teachers' Retirement System	(675,803)
Employees' Retirement System	(352,875)
Change in net position of governmental activities	$ 2,364,525

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2024

	Custodial Fund
ASSETS	
Cash	$ 96,788
Total Assets	$ 96,788
NET POSITION	
Unrestricted	$ 96,788
Total Net Position	96,788
Total Net Position	$ 96,788

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund
ADDITIONS	
Extraclassroom Receipts	$ 161,817
Total Additions	161,817
DEDUCTIONS	
Extraclassroom Disbursements	147,756
Total Deductions	147,756
Change in Net Position	14,061
Net Position - Beginning of Year	82,727
Net Position - End of Year	$ 96,788

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gouverneur Central School District (the "District") have been prepared in conformity with U.S. 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:

REPORTING ENTITY

The Gouverneur 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.*** The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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.

JOINT VENTURE

The District is a component district in the St. Lawrence-Lewis BOCES. A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

JOINT VENTURE (continued)

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 $6,341,585 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,941,921. Financial statements for the BOCES are available from the BOCES administrative office.

BASIS OF PRESENTATION

District-wide Statements

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

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
BASIS OF PRESENTATION (continued)

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

The District reports the following major governmental funds:

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

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

    - **Special Aid Funds**: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.
    - **School Food Service Fund**: Used to account for transactions of the lunch and breakfast programs.

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

- **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 related bonds outstanding.

The District reports the following non-major governmental funds:

- **Special Revenue Funds** – See above explanation.

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

The District reports the following fiduciary funds:

- **Fiduciary Funds** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.
    - **Custodial Funds:** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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 except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Fees and other similar revenue are not susceptible to accrual because generally they are not measurable until available. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

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

PROPERTY TAXES

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

Uncollected real property taxes are subsequently enforced by 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.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

UNEARNED REVENUES

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

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.

INTER-FUND TRANSACTIONS

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with inter-fund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These inter-fund receivables and payables are expected to be repaid 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 inter-fund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all inter-fund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 9 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures and revenues activity.

ESTIMATES

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

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 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.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND INVESTMENTS (continued)
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.

ACCOUNTS RECEIVABLE
Accounts receivable are shown net of uncollectible accounts, when applicable. An allowance for uncollectable accounts represents the portion of accounts receivable that is not expected to be collected within 365 days. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

INVENTORIES AND PREPAID ITEMS
Inventories of food in the School Food Service 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 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 the fund balance is not available for other subsequent expenditures.

OTHER ASSETS/LIABILITIES
In the District-wide financial statements, bond discount (asset) and bond premium (liability), and any 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.

CAPITAL ASSETS
Capital assets are reported at estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Depreciation Amortization Method	Estimated Useful Life
Buildings	$ 5,000	straight-line	30 years
Building improvements	$ 5,000	straight-line	10-15 years
Furniture and equipment	$ 5,000	straight-line	5-10 years
Vehicles	$ 5,000	straight-line	5-10 years
Intangibles:			
Right-to-use lease assets: Equipment	$ 5,000	straight-line	5-10 years

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

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 District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and 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 proportion of the collective net pension liability (TRS and ERS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

VESTED EMPLOYEE BENEFITS

Compensated Absences

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. Generally the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems.

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.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

VESTED EMPLOYEE BENEFITS (continued)

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

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

Other Benefits

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 health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee under certain employment contracts. 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 Section 403(b) – Tax Sheltered Annuities (TSA). The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' TSA plan administrator. The TSA plans are owned by the individuals and held in trust by the plan administrator.

LEASES

As lessee, the District recognizes lease liabilities with an initial, individual value of $5,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on the risk free rate for tax exempt bonds that were issued by the District in the past adjusted for the terms of the various leases.

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.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

SHORT TERM DEBT (continued)

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.

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.

EQUITY CLASSIFICATIONS

<u>District-wide Statements</u>

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/amortization) 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.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

EQUITY CLASSIFICATIONS (continued)

Funds Statements

Below is the breakdown of fund balances for the fund basis statements:

	General Fund	Special Aid Fund	School Food Service Fund	Debt Service Fund	Capital Fund	Non-major Funds	Total
Non-spendable:							
Inventory	$ -	$ -	$ 56,713	$ -	$ -	$ -	$ 56,713
Restricted:							
Debt Service Reserve	-	-	-	713,607	-	-	713,607
Employee Benefits Accrued Liability	340,444	-	-	-	-	-	340,444
Liability Claims	482,209	-	-	-	-	-	482,209
Retirement Contribution	3,291,531	-	-	-	-	-	3,291,531
Reserve for Teacher's Retirement	1,148,078						1,148,078
Tax Certiorari	158,804	-	-	-	-	-	158,804
Unemployment Insurance	300,087	-	-	-	-	-	300,087
Workers' Compensation	563,720	-	-	-	-	-	563,720
Capital Reserve	3,961,328	-	-		-	-	3,961,328
Reserve for Capital Outlay	-	-	-	-	10,390,518	-	10,390,518
Scholarship	-	-	-	-	-	25,022	25,022
Encumbrances (Other than General Fund)	-	242,877	6,112	-	-	-	248,989
Assigned:							
Finance	38	-	-	-	-	-	38
Central Services	193,256	-	-	-	-	-	193,256
Instruction, Admin & Improvement	460	-	-	-	-	-	460
Teaching-Regular School	179,920	-	-	-	-	-	179,920
Programs for Students with Disabilities	6,875	-	-	-	-	-	6,875
Instructional Media	11,570	-	-	-	-	-	11,570
Pupil Services	59,919	-	-	-	-	-	59,919
Pupil Transportation	879,547	-	-	-	-	-	879,547
Appropriated Fund Balance	-	-	733,157	80,054	-	-	813,211
Unassigned:	5,846,401	(242,877)	-	-	-	-	5,603,524
	$ 17,424,187	$ -	$ 795,982	$ 793,661	$ 10,390,518	$ 25,022	$ 29,429,370

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

EQUITY CLASSIFICATIONS (continued)

Funds Statements (continued)
In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. See detail of balances in chart above.

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. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Debt Service Reserve Fund
According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of 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, the Employee Benefit Accrued Liability Reserve must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

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 sub- fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

EQUITY CLASSIFICATIONS (continued)

Tax Certiorari Reserve Fund
According to Education Law §3651.1-a, 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 which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

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

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

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

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

EQUITY CLASSIFICATIONS (continued)

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

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

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

Reserve for Insurance Recoveries
Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the general fund.

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

EQUITY CLASSIFICATIONS (continued)

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The School Food Service Fund also reports assigned fund balance. See Fund Balance breakdown above for details. The General Fund encumbrances $1,331,585 were classified as General Support $193,294, Instruction $258,744 and Transportation $879,547.

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

Reserve for Tax Reduction
Reserve for Tax Reduction ((Education Law §1604(36) and §1709(37)) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in the mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. The reserve is accounted for in the general fund.

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

Net Position/Fund Balance:

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

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total 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.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

EQUITY CLASSIFICATIONS (continued)

Order of Use of Fund Balance:

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- Restricted fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- Unassigned fund balance.

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 standards issued by GASB.

GASB Statement No. 99, *Omnibus*, some elements effective for the year ending June 30, 2023 and others June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An amendment of GASB Statement No. 62*, effective for the year ending June 30, 2024.

FUTURE ACCOUNTING STANDARDS

GASB 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, should 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 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.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

FUTURE ACCOUNTING STANDARDS (continued)

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

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

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

TOTAL OF GOVERNMENTAL FUND BALANCES 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 Sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

Long-term Assets
The costs of building and acquiring capital assets (land, buildings, and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	$ 73,492,578
Accumulated depreciation/amortization	(30,145,344)
Net Capital Assets	$ 43,347,234

Other Liabilities
Other liabilities such as retainage held in the capital construction project are reported in the Statement of Net Position but not in the governmental fund statements because they are included in carryover encumbrance. Bond interest payable and unamortized bond premium are reported in the Statement of Net Position but not in the governmental fund statements because they are due in a future period. Balances at year end were:

Retainage	$ -
Bond Interest Payable	(32,719)
Unamortized Bond Premium	(1,425,260)
	$ (1,457,979)

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

Long-term Liabilities
Long-term liabilities are reported in the Statement of Net Position but not in the governmental fund statements because they are not due and payable in the current period. Balances at year end were:

Bonds Payable	$ (15,705,000)
Leases Payable	(78,361)
Compensated Absences	(125,669)
Other Post-employment Benefits	(110,420,541)
	$ (126,329,571)

Pension
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 system:

Pension Asset	$ -
Pension Liability	(2,549,619)
	$ (2,549,619)

Deferred Outflows and Inflows of Resources
In addition to assets and liabilities, the statement of Net Position will sometimes report a separate section for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represent 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 separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Outflows and Inflows of resources were:

Deferred Outflow of Resources	$ 18,929,596
Deferred Inflows of Resources	(15,506,632)
	$ 342,964

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VERSUS STATEMENT OF ACTIVITIES

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

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.

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)

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

Long-term Debt Transaction Differences
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental 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.

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.

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.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities

Total revenues and other funding sources:	
Total revenues and other funding sources of governmental funds	$ 49,849,514
Reconciling items:	
Less net loss from disposal of vehicles/equipment	-
Less proceeds from new capital leases	-
Total revenues from governmental activities - Statement of Activities	$ 49,849,514

TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)

Total expenditures and other financing:	
Total expenditures reported in governmental funds	$ 43,641,248
Reconciling items:	
Add depreciation/amortization expense	2,431,296
Less change in interest accrual & bond premium amortized	(297,602)
Less change in compensated absences	(26,869)
Add change in other postemployment benefits	3,897,786
Less capital expenditures (capitalized in government-wide statement)	(1,683,190)
Add changes in retirement benefits	1,028,678

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

Less payment on leases	(36,358)
Less payment on long-term debt	(1,470,000)
Total expenses of governmental activities - Statement of Activities	$ 47,484,989

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS

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

- General Fund

The voters of the District approved the proposed appropriation budget for the General Fund. Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. There were supplemental appropriations of $3,110 from gifts and donations $3,110. There were no budget reductions for the year ending June 30, 2024.

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.

There is no budget and actual comparison for the Special Aid Fund because there is not a legally authorized (appropriated) budget.

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 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 the 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 the time, as the liability is incurred, or commitment is paid.

NOTE 4 - CASH – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE RISKS, AND FOREIGN CURRENCY RISKS

Cash and Investments

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

A. Insured, invested in permitted securities or collateralized with securities held by the District or by its agent in the District's name, or
B. Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name, or
C. Uncollateralized.

Total financial institution bank balances at year-end, per the bank, are categorized as follows:

A.	$	16,758,370
B.	$	12,393,220
C.	$	-

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $10,246,201 restricted for various fund balance reserves in the general fund and $20,022 restricted for use in the miscellaneous revenue fund within the governmental funds and $96,788 in the Fiduciary Funds.

Investment and Deposit Policy

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

Interest Rate Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depositary 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 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.

NOTE 4 - CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE RISKS , AND FOREIGN CURRENCY RISKS (continued)

Investments

US GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All the District's investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and cash equivalents: Valued a cost plus accrued interest, which approximates fair market value.

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

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

The District participates in the New York Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investment in cooperation with other participants. At June 30, 2024, the District held $18,861,990 in these investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

The District total investments of the cooperative as of June 30, 2024 are $27,527,715, which consisted of $4,520,051 in repurchase agreements, $18,861,990 in U.S. Treasury Securities, $539,543 in FDIC Insured Bank Deposits and $3,606,131 in collateralized bank deposits.

NOTE 4 - CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE RISKS, AND FOREIGN CURRENCY RISKS (continued)

	Valuation Inputs			
Investments in Securities at Fair Value	Level 1	Level 2	Level 3	Total
General Fund	$16,407,928	$ -	$ -	$ 16,407,928
School Food Service Fund	757,918	-	-	757,918
Capital Projects Fund	9,476,335	-	-	9,476,335
Debt Service Fund	793,661	-	-	793,661
Fiduciary Fund	91,873	-	-	91,873
Total	$27,527,715	$ -	$ -	$ 27,527,715

The above amounts represent the fair value of the investment pool shares the District invested in. For the year ended June 30, 2024, the portfolio did not have unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

NOTE 5 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated/amortized:				
Land	$ 299,027	$ -	$ -	$ 299,027
Construction in Progress	1,356,401	957,571	-	2,313,972
Total cost non-depreciable assets	1,655,428	957,571	-	2,612,999
Capital assets that are depreciated/amortized:				
Buildings	61,137,295	81,821	-	61,219,116
Furniture and Equipment	4,001,370	457,468	-	4,458,838
Right-to-Use lease Assets: Equipment	392,364	-	(133,803)	258,561
Vehicles	4,790,066	186,330	(33,332)	4,943,064
Total cost depreciable assets	70,321,095	725,619	(167,135)	70,879,579
Less accumulated depreciation/amortization:				
Buildings	(22,445,790)	(1,691,580)	-	(24,137,370)
Furniture and Equipment	(2,464,470)	(228,505)	-	(2,692,975)
Right-to-Use Lease Assets: Equipment	(252,115)	(50,043)	133,803	(168,355)
Vehicles	(2,718,808)	(461,168)	33,332	(3,146,644)
Total accumulated depreciation/amortization	(27,881,183)	(2,431,296)	167,135	(30,145,344)
Net capital assets	$44,095,340	$ (748,106)	$ -	$43,347,234

NOTE 5 - CAPITAL ASSETS (continued)

Depreciation/Amortization expense was charged to Governmental functions as follows:

General Support	$ 629,111
Instruction	1,281,391
Pupil Transportation	472,413
School Lunch	48,381
	$ 2,431,296

NOTE 6 - SHORT-TERM DEBT

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. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

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

	Beginning Balance	Issued	Redeemed/ Refunded	Ending Balance	Amounts Due Within One Year
Bond Anticipation note:					
None	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -

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

Interest paid	$ -
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Less bond premium recognized	-
Total Expense	$ -

NOTE 7 - LONG-TERM OBLIGATIONS

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Government activities:					
2018 Serial Bonds, final maturity 6/1/33, at 5.00%, per year to maturity	$ 13,645,000	$ -	$(1,225,000)	$ 12,420,000	$1,245,000
2020 Serial Bonds, final maturity 6/15/35, at 5.00%, per year to maturity	3,530,000	-	(245,000)	3,285,000	250,000
Total Bonds Payable	17,175,000	-	(1,470,000)	15,705,000	1,495,000
Other Liabilities:					
Leases Payable	114,719	-	(36,358)	78,361	33,451
Compensated Absences	152,538	30,422	(57,291)	125,669	-
Other Postemployment benefits	108,471,896	7,758,479	(5,809,834)	110,420,541	-
Net Pension Liabilities:					
TRS	1,123,382	-	(442,117)	681,265	-
ERS	2,370,171	-	(501,817)	1,868,354	-
Total Long-Term Liabilities	$129,407,706	$ 7,788,901	$ (8,317,417)	$128,879,190	$1,528,451

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

	Principal	Interest	Total
Fiscal year ended June 30,			
2025	$ 1,495,000	$ 785,250	$ 2,280,250
2026	1,565,000	710,500	2,275,500
2027	1,640,000	632,250	2,272,250
2028	1,735,000	550,250	2,285,250
2029	1,795,000	463,500	2,258,500
2030-2034	7,255,000	941,250	8,196,250
2035-2039	220,000	11,000	231,000
	$ 15,705,000	$ 4,094,000	$ 19,799,000

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

Interest paid on bonds	$ 858,750
Interest paid on leases	2,319
Less interest accrued in the prior year	(35,781)
Less bond premium recognized	(294,540)
Plus interest accrued in the current year	32,719
Total Expense	$ 563,467

NOTE 8 - LEASES

The District has acquired equipment under the provisions of various lease agreements. The District has various office and computer leases with St. Lawrence-Lewis BOCES expiring at various times through 2028. For the year ended June 30, 2024, the District had $-0- in expenditures under purchase lease agreements and $-0- under financing lease agreements. During the year ended June 30, 2024, the District added $-0- in new financing lease agreements and redeemed $-0- in old financing lease agreements before the lease end date.

The total amount of lease assets and the related accumulated amortization are as follows:

Total Intangible Right-to-Use Lease Assets	$ 258,561
Less: Accumulated Amortization	(168,355)
Carrying Value of Lease Assets	$ 90,206

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

	Principal	Interest	Total
Fiscal year ended June 30,			
2025	$ 33,451	$ 1,508	$ 34,959
2026	30,516	703	31,219
2027	12,314	210	12,524
2028	2,081	6	2,087
	$ 78,362	$ 2,427	$ 80,789

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 1,929,889	$ 1,161,016	$ -	$ 10,876,425
Special Aid Funds	45,377	1,809,995	76,396	-
School Lunch Funds	-	100,352	29	-
Debt Service Funds	-	-	-	-
Capital Funds	1,115,639	19,542	10,800,000	-
Total governmental activities	3,090,905	3,090,905	10,876,425	10,876,425
Fiduciary Agency Fund	-	-	-	-
Totals	$ 3,090,905	$ 3,090,905	$ 10,876,425	$ 10,876,425

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. All interfund payables are expected to be repaid within one year.

The District typically transfers from the General Fund to the Special Aid Fund, for the proportionate share of Summer School program costs.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

NOTE 10 - PENSION PLANS

GENERAL INFORMATION:

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

PLAN DESCRIPTIONS AND BENEFITS PROVIDED

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

Employees' Retirement Systems (ERS)

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

Contributions

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.

NOTE 10 - PENSION PLANS (continued)

PLAN DESCRIPTIONS AND BENEFITS PROVIDED (continued)

The District is required to contribute at a rate determined actuarially by the Systems. The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	NYSTRS	NYSERS
2023-2024	$ 1,132,000	$ 489,000
2022-2023	$ 1,017,000	$ 391,000
2021-2022	$ 939,000	$ 521,000

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

PENSION ASSETS/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of 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
Measurement date	31-Mar-24	30-Jun-23
Net pension asset/(liability)	$(1,868,354)	$ (681,265)
District's portion of the Plan's total net pension asset/(liability)	0.0126891%	0.059573%
Change in proportion since the prior Measurement date	0.0001636%	0.001030%

NOTE 10 - PENSION PLANS (continued)

For the year ended June 30, 2024, the District recognized pension expense of $874,664 for ERS and the actuarial value of $1,923,150 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 Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 601,795	$ 1,651,887	$ 50,945	$ 4,082
Changes of assumptions	$ 706,383	$ 1,466,744	$ -	$ 319,669
Net difference between projected and actual earnings on pension plan investments	$ -	$ 348,249	$ 912,681	$ -
Changes in proportion and differences between the District's contributions and proportionate share of contributions	$ 170,773	$ 43,073	$ 7,808	$ 84,424
District's contributions subsequent to the measurement date	$ 164,966	$ 1,132,165	$ -	$ -
Total	$ 1,643,917	$ 4,642,118	$ 971,434	$ 408,175

NOTE 10 - PENSION PLANS (continued)

PENSION ASSETS/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

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

	ERS	TRS
Fiscal year ended June 30,		
2025	$ (292,668)	$ 277,192
2026	396,126	(358,019)
2027	575,623	2,737,260
2028	(171,564)	197,877
2029	-	151,546
Thereafter	-	95,922

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Actuarial Valuation Date	April 1, 2023	June 30, 2022
Investment Rate of Return	5.9%	6.95%
Salary Scale	4.4%, indexed by Service	1.95% - 5.18%
Projected COLAs	1.5%	1.3%
Decrement Tables	April 1, 2015-March 31, 2020 System's Experience	July 1, 2015-June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

NOTE 10 - PENSION PLANS (continued)

PENSION ASSETS/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 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 rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS	
Measurement Date	March 31, 2024	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	32%	4.00%
International Equity	15	6.65
Private Equity	10	7.25
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.25
Credit	4	5.40
Real Asset	3	5.79
Fixed Income	23	1.50
Cash	1	0.25
	100%	

*Real rates of return are net of a long-term inflation assumption of 2.9%.

NOTE 10 - PENSION PLANS (continued)

PENSION ASSET(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

	TRS	
Measurement Date	June 30, 2023	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	33%	6.8%
International Equity	15	7.6
Global Equity	4	7.2
Real Estate Equity	11	6.3
Private Equity	9	10.1
Domestic Fixed Income	16	2.2
Global Bonds	2	1.6
Private Debt	2	6.0
Real Estate Debt	6	3.2
High-Yield Bonds	1	4.4
Cash Equivalents	1	0.3
Total	100%	

*Real rates of return are net of a long-term inflation assumption of 2.4% for 2023.

NOTE 10 - PENSION PLANS (continued)

PENSION ASSET/(LIABILITIES), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

DISCOUNT RATE

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

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) TO THE DISCOUNT RATE ASSUMPTION

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2024 calculated using the discount rate of 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% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	$(5,874,296)	$(1,868,354)	$ 1,477,439

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$(10,376,018)	$ (681,265)	$ 7,472,440

PENSION PLAN FIDUCIARY NET POSITION

The components of the collective net pension asset/(liability) of ERS as of March 31, 2024 measurement date were as follows:

Total pension liability	$ 240,696,851,000
ERS fiduciary net position	(225,972,801,000)
Employers' net pension liability (asset)	$ 14,724,050,000
ERS fiduciary net position as a Percentage of total pension liability/(asset)	93.88%

NOTE 10 - PENSION PLANS (continued)

PENSION PLAN FIDUCIARY NET POSITION (continued)

The components of the collective net pension liability of TRS as of June 30, 2023 measurement date were as follows:

Total pension liability	$ 138,365,121,961
TRS fiduciary net position	(137,221,536,942)
Employers' net pension liability (asset)	$ 1,143,585,019
TRS fiduciary net position as a Percentage of total pension liability/(asset)	99.17%

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

	ERS	TRS	Total
Measurement Date	March 31, 2024	June 30, 2023	
Employers' total pension liability	$ 30,542,264	$ 82,428,254	$ 112,970,518
Plan Net Position	(28,673,910)	(81,746,989)	(110,420,899
Employers' net pension (asset)/liability	$ 1,868,354	$ 681,265	$ 2,549,619
Ratio of plan net position to the Employers' total net pension asset/(liability)	93.88%	99.17%	97.74%

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 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 $874,664 for ERS and $1,923,150 for TRS.

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 contributions 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 $164,966.

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 $1,232,130.

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreements. 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 $918,131 net of reimbursement was paid on behalf of retirees.

Benefits Provided

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	168
Active Plan Members	231
Total Plan Members	399

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

GENERAL INFORMATION ABOUT THE OPEB PLAN (continued)

Net OPEB Liability

The District's total OPEB liability of $110,420,541 was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2022.

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

Rate of Inflation	2.50%
Discount Rate	3.65% 20-year Bond GO Index
Salary Scale	3.00%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates:	
Medical	7.00% for 2024 decreasing to an ultimate rate of 3.94% for 2093 and later years
Part B Reimbursement	5.00%

The discount rate is based on the Bond Buyer Weekly 20-Year Bond GO Index as of the measurement date (or the nearest business day thereto).

Mortality rates were based on the sex-distinct Pub-2010 Mortality Tables for employees and healthy annuitants, generationally projected using Scale MP-2021.

Retirement participation rate assumed that 100% of future retirees eligible will elect medical coverage at retirement, and 60% of retiree's spouse will elect medical coverage, and 0% of surviving spouse will elect to participate. 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 male and 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.

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

CHANGES IN THE TOTAL OPEB LIABILITY FOR THE PERIOD ENDING JUNE 30, 2024

	Total OPEB Liability
Balance at Beginning of Year	$ 108,471,896
Changes for the year:	
Service cost	3,834,386
Interest cost	3,924,093
Changes of benefit terms	(781,909)
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(2,115,576)
Benefit payments	(2,912,349)
Net change in Total OPEB Liability	1,948,645
Balance at End of Year	$ 110,420,541

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% on July 1, 2022 to 3.65% on July 1, 2023.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65%) or 1-percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$130,585,203	$110,420,541	$94,393,006

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$91,783,943	$110,420,541	$134,831,927

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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 $6,949,427.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,722,005
Changes in assumptions or other inputs	9,591,920	9,405,018
Contributions subsequent to measurement date	3,051,641	-
Total	$ 12,643,561	$ 14,127,023

District contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

	Amount
Fiscal year ended June 30,	
2025	$ 521,494
2026	499,388
2027	(694,922)
2028	(2,536,563)
2029	(2,086,654)
2030 and Thereafter	(237,846)

NOTE 12 - RISK MANAGEMENT

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

For its employee health and dental insurance coverage the Gouverneur Central School District is a participant in the St. Lawrence-Lewis Counties School District Employee Medical Plan, a public entity risk pool operated for the benefit of 18 individual governmental units located within the St. Lawrence and Lewis County areas. The School District pays an annual premium to the Plan for this employee health and dental insurance coverage. The St. Lawrence-Lewis County School Employee Medical Benefits Plan is considered a self-sustaining risk pool that will provide coverage for its members up to $2,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the $2,000,000 limit, and the District has essentially transferred all related risk to the pool.

NOTE 12 - RISK MANAGEMENT (continued)

The Gouverneur Central School District participates in a risk sharing pool, Risk Retention, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims.

NOTE 13 - FUND BALANCES

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

NOTE 14 - DONOR-RESTRICTED ENDOWMENTS

The District administers an endowment fund, reported in the miscellaneous special revenue fund, which is restricted by the donor. Donor-restricted endowments are reported at fair value. 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.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

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

Retirement Incentive

The District does not accrue a liability for its retirement incentive because it is based on an uncontrollable future event. In accordance with the provisions of GASB #16, the value for the retirement incentive is considered a contingent liability. The District values this contingency at $340,410.

Tax Certiorari Actions

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.

Construction Contracts

The District has no commitments for construction contracts as of June 30, 2024. The District is in the planning stages of a new capital project for all District facilities.

NOTE 16 -TAX ABATEMENTS

The County of St. Lawrence, enters into various property tax abatement programs for the purpose of economic development. The Industrial Development Agency (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively "the Act"), has one real property tax abatement agreements with an entity in the District under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the District. Generally, these agreements provide for an abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements, the PILOT will discontinue as outlined in each agreement. Additionally, the Town of Fowler has entered into a residential PILOT with an entity. As a result of these tax abatement agreements, for the year ended June 30, 2024, the District's property tax revenues were reduced by $208,483. The District received payment in Lieu of Tax (PILOT) payments totaling $64,270.

NOTE 17 - SUBSEQUENT EVENTS

The District has evaluated events and transactions that occurred between June 30, 2024 and September 25, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 18 -RESTATEMENT FOR CHANGE IN ACCOUNTING ESTIMATE

The District's Actuary report for GASB #75 for the year ended June 30, 2023, was revised to reflect updated mortality tables and updated Teacher Retirement System (TRS) turnover/retirement rates with the tables from New York State TRS Office of the Actuary dated October 19, 2021 and the Employee Retirement System (ERS) turnover/retirement rates with the New York State ERS Office of Actuary rates from their report dated August 2020. Net position of the District decreased $7,101,670 as a result of the changes.

	Effect on Net Position
Total OPEB liability – increased	$ (21,888,757)
Deferred Outflows of Resources – increased	18,197
Deferred Inflows of Resources – increased	14,768,890
Total Change in Net Position	$ (7,101,670)

GOUVERNEUR 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 BUDGET TO FINAL BUDGET

Adopted Budget		$ 42,635,420
Add: Prior Year's Encumbrances		168,777
Original Budget		42,804,197
Add: Increases in Appropriations		10,155,519
Add: Budget Additions		3,110
Budget Reductions		-
Final Budget		$ 52,962,826
Next year's budget is a voter-approved budget of:	$ 44,165,000	

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 Voter-approved Expenditure Budget		
Maximum Allowed 4% of 2024-2025 Budget		$ 44,165,000
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Committed Fund Balance	-	
Assigned Fund Balance	1,331,585	
Unassigned Fund Balance	5,846,401	
Total Unrestricted Fund Balance	$ 7,177,986	
Less:		
Encumbrances Included in Committed and Assigned Fund Balance	1,331,585	
Total Adjustments	$ 1,331,585	
General Fund Fund Balance Subject to Section 1318 Real Property Tax Law		$ 5,846,401
Actual Percentage		13.24%

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	$ 6,925,551	$ 6,925,551	$ 6,098,382	$ (827,169)
Other Tax Items	75,913	75,913	920,537	844,624
Charge for Services	60,000	60,000	233,937	173,937
Use of Money and Property	224,250	224,250	1,015,097	790,847
Sale of Property and Compensation for Loss	1,000	1,000	9,756	8,756
Miscellaneous	175,000	178,110	481,604	303,494
Interfund Revenues	-	-	-	-
Total Local Sources	7,461,714	7,464,824	8,759,313	1,294,489
State Sources	32,277,260	32,277,260	32,609,825	332,565
Federal Sources	-	-	79,808	79,808
Total Revenues	39,738,974	39,742,084	41,448,946	1,706,862
OTHER FINANCING SOURCES				
Transfers from Other Funds	-	-	-	-
Proceeds from Leases	-	-	-	
Appropriated Fund Balance	2,896,446	13,220,742	-	(13,220,742)
Total Revenues and Other Financing Sources	$ 42,635,420	$ 52,962,826	$ 41,448,946	$ (11,513,880)

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR 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
(CONTINUED)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support:					
Board of Education	$ 45,335	$ 43,553	$ 29,372	$ -	$ 14,181
Central Administration	237,584	241,336	239,709	-	1,627
Finance	503,758	476,819	428,993	38	47,788
Staff	256,748	210,234	160,156	-	50,078
Central Services	3,118,749	3,182,322	2,594,207	193,256	394,859
Special Items	1,460,253	1,468,163	1,468,163	-	-
Total General Support	5,622,427	5,622,427	4,920,600	193,294	508,533
Instruction:					
Instruction, Administration & Improvement	1,342,275	1,250,810	1,116,030	460	134,320
Teaching - Regular School	7,888,066	7,821,533	6,436,387	179,920	1,205,226
Programs for Students with Disabilities	5,655,400	5,677,507	4,299,410	6,875	1,371,222
Occupational Education	1,384,390	1,364,390	1,358,790	-	5,600
Teaching - Special Schools	26,622	21,444	20,412	-	1,032
Instructional Media	1,305,213	1,652,379	1,485,804	11,570	155,005
Pupil Services	1,719,962	1,705,751	1,486,649	59,919	159,183
Total Instruction	19,321,928	19,493,814	16,203,482	258,744	3,031,588
Pupil Transportation	3,268,776	4,148,726	2,605,345	879,547	663,834
Community Services	10,000	10,000	2,429	-	7,571
Employee Benefits	10,134,539	9,810,109	8,060,067	-	1,750,042
Debt Service	2,975,750	2,975,750	2,367,427	-	608,323
Total Expenditures	41,333,420	42,060,826	34,159,350	1,331,585	6,569,891
OTHER FINANCING USES					
Transfers To Other Funds	1,302,000	10,902,000	10,876,425	-	25,575
Total Expenditures and Other Uses	$ 42,635,420	$ 52,962,826	$ 45,035,775	$ 1,331,585	$ 6,595,466
Excess Revenue and Other Sources over Expenditures and Other Uses			(3,586,829)		
Fund Balance - Beginning of Year			21,011,016		
Fund Balance - End of Year			$ 17,424,187		

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL-SCHOOL LUNCH FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual
REVENUES					
Use of Money and Property	$ 35,000	$ 35,000	$ 45,063		$ 10,063
Sale of Property and Compensation for Loss	-	-	-		-
Miscellaneous	-	-	588		588
State and Federal Sources	845,000	897,802	1,215,769		317,967
Surplus Food	45,000	45,000	79,753		34,753
Sales	52,000	67,346	61,674		(5,672)
Total Revenues	977,000	1,045,148	1,402,847		357,699
OTHER FINANCING SOURCES					
Transfers from Other Funds	-	-	29		29
Appropriated Fund Balance	124,650	1,365,325	-		(1,365,325)
Total Revenues and Other Financing Sources	1,101,650	2,410,473	1,402,876		(1,007,597)
EXPENDITURES					
Employee Benefits	297,600	397,810	285,185	-	112,625
Cost of Sales	1,400,000	1,600,155	1,485,462	6,112	108,581
Total Expenditures	$ 1,697,600	$ 1,997,965	1,770,647	$ 6,112	$ 221,206
Revenue and Other Sources over Expenditures and Other Uses			(367,771)		
Fund Balance - Beginning of Year			1,163,753		
Fund Balance - End of Year			$ 795,982		

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2024

Project Title	Original Appropriation	Revised Appropriation	Expenditures to Date: Prior Year	Expenditures to Date: Current Year	Expenditures to Date: Total	Unexpended Balance	Proceeds of Obligations	Excel/Smart School	Local Sources	Total	Fund Balance June 30, 2024
Capital Project December 2023 Vote	$ 57,380,000	$ 57,380,000	$ -	$ 694,057	$ 694,057	$ 56,685,943	$ 239,276	$ -	$ 9,600,000	$ 9,839,276	$ 9,145,219
High School Windows	1,555,000	1,555,000	1,244,674	263,514	1,508,188	46,812	555,000	-	1,000,000	1,555,000	46,812
Middle School #6012	1,200,000	1,200,000	1,513	-	1,513	1,198,487	-	-	1,200,000	1,200,000	1,198,487
SBBA #7999-02	334,886	334,886	111,580	-	111,580	223,306	-	111,580	-	111,580	-
Total	$ 60,469,886	$ 60,469,886	$ 1,357,767	$ 957,571	$ 2,315,338	$ 58,154,548	$ 794,276	$ 111,580	$ 11,800,000	$ 12,705,856	$ 10,390,518

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY SCHEDULE OF
COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Miscellaneous Special Revenue	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
ASSETS			
Unrestricted Cash	$ -	$ 5,000	$ 5,000
Restricted Cash	20,022	-	20,022
Due from Other Funds	-	-	-
Total Assets	$ 20,022	$ 5,000	$ 25,022
LIABILITIES AND FUND BALANCE			
Accounts Payable	$ -	$ -	$ -
Due to Other Funds	-	-	-
Retainage Payable	-	-	-
Bond Anticipation Notes Payable	-	-	-
Total Liabilities	-	-	-
Fund Balance:			
Non-spendable	-	-	-
Restricted	20,022	5,000	25,022
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	20,022	5,000	25,022
Total Liabilities and Fund Balance	$ 20,022	$ 5,000	$ 25,022

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY SCHEDULE OF
COMBINED REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Miscellaneous Special Revenue	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
REVENUES			
Use of Money and Property	$ 1,106	$ -	$ 1,106
Miscellaneous	-	-	-
Total Revenues	1,106	-	1,106
EXPENDITURES			
Other Expenses	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficit) Revenues Over Expenditures	1,106	-	1,106
OTHER FINANCING SOURCES AND (USES)			
Proceeds From Debt	-	-	-
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
Total Other Sources (Uses)	-	-	-
Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)	1,106	-	1,106
Fund Balance, Beginning of Year	18,916	5,000	23,916
Fund Balance, End of Year	$ 20,022	$ 5,000	$ 25,022

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets, Net		$ 43,347,234
Deduct:		
Unamortized Bond Premium	1,425,260	
Short-term Portion of Bonds Payable	1,495,000	
Short-term Portion of Lease Payable	33,451	
Long-Term Portion of Bonds Payable	14,210,000	
Long-Term Portion of Leases Payable	44,910	
		17,208,621
Net Investment in Capital Assets		$ 26,138,613

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
Measurement Date	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability							
Service cost	$ 3,834,386	$ 4,741,309	$ 4,821,430	$ 3,116,016	$ 3,202,508	$ 2,446,125	$ 3,200,562
Interest	3,924,093	2,718,675	2,670,329	3,376,906	3,530,852	3,148,758	2,761,762
Changes in benefit terms	(781,909)	(3,928,731)	-	-	-	(94,986)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(5,159,884)	-	(1,367,553)	-	(5,068,128)	-
Changes of assumptions or other inputs	(2,115,576)	(10,803,407)	1,508,988	20,106,666	1,093,847	4,867,370	(12,553,557)
Benefit payments	(2,912,349)	(2,791,301)	(2,626,886)	(2,555,311)	(2,433,068)	(2,135,994)	(2,049,558)
Net change in total OPEB liability	1,948,645	(15,223,339)	6,373,861	22,676,724	5,394,139	3,163,145	(8,640,791)
Total OPEB liability - beginning	108,471,896	123,695,235	117,321,374	94,644,650	89,250,511	86,087,366	94,728,157
Total OPEB liability - ending	$ 110,420,541	$ 108,471,896	$ 123,695,235	$ 117,321,374	$ 94,644,650	$ 89,250,511	$ 86,087,366
Covered payroll	$ 14,014,947	$ 13,914,936	$ 11,084,232	$ 13,119,033	$ 13,119,033	$ 12,748,923	$ 12,617,984
Total OPEB liability as a percentage of covered payroll	787.88%	779.54%	1115.96%	894.28%	721.43%	700.06%	682.26%

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate in effect at the current measurement date is 3.65%.

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

(1) Data not available prior to fiscal year 2018 implementation of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

* Ratios not provided

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS

New York State Teachers Retirement System (TRS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.059573%	0.058543%	0.058026%	0.058739%	0.059397%	0.058923%	0.060044%	0.059490%	0.059280%	0.056963%
District's proportionate share of the net pension liability (asset)	$ 681,265	$ 1,123,382	$ (10,055,373)	$ 1,623,103	$ (1,543,132)	$ (1,065,483)	$ (456,390)	$ 637,166	$ (6,157,268)	$ (6,345,324)
District's covered-employee payroll	$ 11,002,575	$ 10,447,184	$ 9,848,895	$ 10,034,324	$ 9,914,289	$ 9,597,891	$ 9,513,780	$ 9,366,618	$ 9,079,939	$ 8,410,250
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.19%	10.75%	-102.10%	16.18%	-15.56%	-11.10%	-4.80%	6.80%	-67.81%	-75.45%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.50%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

New York State Employees Retirement System (ERS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0126891%	0.0110528%	0.0108839%	0.0108956%	0.0108010%	0.0102847%	0.0107385%	0.9842500%	0.0103902%	0.01000870%
District's proportionate share of the net pension liability (asset)	$ 1,868,354	$ 2,370,171	$ (889,715)	$ 10,849	$ 2,860,181	$ 728,706	$ 346,581	$ 924,820	$ 1,667,651	$ 338,117
District's covered-employee payroll	$ 3,947,106	$ 3,517,331	$ 3,380,575	$ 3,541,269	$ 3,415,147	$ 3,202,703	$ 3,118,885	$ 2,948,824	$ 2,913,348	$ 2,759,185
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	47.33%	67.39%	-26.32%	0.31%	83.75%	22.75%	11.11%	31.36%	57.24%	12.25%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Note - amounts presented for each fiscal year were determined as of the March 31st measurement date as of the current fiscal year

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

New York State Teachers Retirement System (TRS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,132,165	$ 1,016,632	$ 938,600	$ 883,323	$ 1,052,898	$ 940,593	$ 1,115,149	$ 1,217,262	$ 1,560,978	$ 1,367,328
Contributions in relation to the contractually required contribution	1,132,165	1,016,632	938,600	883,323	1,052,898	940,593	1,115,149	1,217,262	1,560,978	1,367,328
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 11,002,575	$ 10,447,184	$ 9,848,895	$ 10,034,324	$ 9,914,289	$ 9,597,891	$ 9,513,780	$ 9,366,618	$ 9,079,939	$ 8,410,250
Contributions as a percentage of covered employee payroll	10.29%	9.73%	9.53%	8.80%	10.62%	9.80%	11.72%	13.00%	17.19%	16.26%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

New York State Employees Retirement System (ERS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 488,890	$ 390,547	$ 520,520	$ 490,349	$ 468,815	$ 458,653	$ 460,968	$ 450,991	$ 560,416	$ 483,396
Contributions in relation to the contractually required contribution	488,890	390,547	520,520	490,349	468,815	458,653	460,968	450,991	560,416	483,396
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 3,947,106	$ 3,517,331	$ 3,380,575	$ 3,541,269	$ 3,415,147	$ 3,202,703	$ 3,118,885	$ 2,948,824	$ 2,913,348	$ 2,759,185
Contributions as a percentage of covered employee payroll	12.39%	11.10%	15.40%	13.85%	13.73%	14.32%	14.78%	15.29%	19.24%	17.52%

Note - amounts presented for each fiscal year were determined as of the March 31st measurement date as of the current fiscal year

See paragraph on supplementary schedules included in auditors' report.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-through Grantor Number	Expenditures
U.S. Department of Education			
Passed Through New York State			
Department of Education:			
Title I Grants to Local Education Agencies	84.010	0021-23-2605	$ 871
Title I Grants to Local Education Agencies	84.010	0021-24-2605	716,085
Supporting Effective Instruction State Grants	84.367A	0147-24-2605	63,364
Rural Education	84.358B	0006-24-2605	42,283
Student Support and Academic Enrichment (SSAE) Program	84.424A	0204-24-2605	58,054
Subtotal			880,657
Special Education-Grants to States (IDEA, Part B)	84.027	0032-24-0790	487,454
Special Education-Preschool Grants (IDEA Preschool)	84.173	0033-24-0790	14,334
Total Special Education Cluster			501,788
COVID-19 Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act Program Elementary and Secondary School Emergency Relief Round 2	84.425D	5891-21-2605	53,685
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-SLR Summer)	84.425U	5882-21-2605	27,565
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-SLR Comprehensive)	84.425U	5883-21-2605	59,135
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-SLR Learning Loss)	84.425U	5884-21-2605	287,840
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	5880-21-2605	3,601,112
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (Homeless Children and Youth)	84.425W	5219-21-2605	1,167
Subtotal			4,030,504
Total - U.S. Department of Education			5,412,949
U.S. Department of Agriculture			
Passed Through NYS Office of General Services			
National School Lunch Program- surplus food	10.555	N/A	79,753
Passed Through New York State			
Department of Education:			
School Breakfast Program	10.553	511101060000	286,079
National School Lunch Program	10.555	511101060000	714,864
Summer Food Service Program for Children	10.559	511101060000	17,772
Total Child Nutrition Cluster			1,098,468
Local Food for Schools Cooperative Agreement	10.185	511101060000	15,346
Total - U.S. Department of Agriculture			1,113,814
Total All Federal Programs			$ 6,526,763

See paragraph on supplementary schedules included in auditors' report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented. Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The District has not elected to use the 10 percent *de minimis* cost rate as covered in CFR200.414 Indirect (F&A) costs.

NOTE 2 - SUB-RECIPIENTS

No amounts were provided to sub-recipients.

NOTE 3 - OTHER DISCLOSURES

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

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

Federal awards non-cash assistance of $79,753 was given from the USDA in the form of surplus food.

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

To the Board of Education
Gouverneur Central School District

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

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Gouverneur 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 the effectiveness of the Gouverneur Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants

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

Report on Compliance and Other Matters
As a part of obtaining reasonable assurance about whether Gouverneur 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards,* and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

District's Response to Finding
Government Auditing Standards requires the auditor to perform limited procedures on the Gouverneur Central School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Gouverneur Central School District's response was not subjected to the auditing procedures applied in the audit and 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.

Crowley & Halloran CPAs P.C.
Watertown, NY
September 25, 2024

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

To the Board of Education
Gouverneur Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gouverneur Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Gouverneur Central School District's major federal programs for the year ended June 30, 2024. Gouverneur 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, Gouverneur Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Gouverneur 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 Gouverneur 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 Gouverneur Central School District's federal programs.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Gouverneur 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 Gouverneur 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 Gouverneur 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.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Crowley & Halloran CPAs P.C.
Watertown, NY
September 25, 2024

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. The auditors' report expresses an unmodified opinion on the general purpose financial statements of Gouverneur Central School District.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. One instance of noncompliance material to the financial statements of Gouverneur Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit, 2024-001.

Federal Awards

1. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs were reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.

2. The auditors' report on compliance for the major federal award programs for Gouverneur Central School District expresses an unmodified opinion on the programs tested as major federal programs.

3. No audit findings relative to the major federal award programs for Gouverneur Central School District that are required to be reported in accordance with 2 CFR section 200.516(a) reported in this Schedule.

4. The programs tested as major programs include:

   Identification of major programs

CFDA Number(s)	Name of Federal Program or Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
84.425D	Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act
84.425U	American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund
84.425W	American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund

5. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

6. Gouverneur Central School District was determined to be a low-risk auditee.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024
(CONTINUED)

SECTION II - FINANCIAL STATEMENT FINDINGS

COMPLIANCE AND OTHER MATTERS

2024-001: Fund Balance: Real Property Tax Law

Condition and Criteria: The District's unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

Cause: Fund balance was not monitored to ensure unassigned fund balance did not exceed the limit imposed by New York State Real Property Tax Law.

Effect: The unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit.

Recommendation: We recommend that the district adhere to the 4% rule when preparing upcoming school year's budget by continually monitoring its fund balance to determine projected fund balance excesses before determining tax increases for the following year. The District should continue to utilize all reserves allowed by law to decrease excess fund balance. Fund balance should be managed starting in January and updated monthly throughout the rest of the fiscal year in order to project the unassigned portion and comply with NYS Real Property Tax Law §1318.

Management's Response: The district's increase in unassigned fund balance was related to a variety of factors including increased one-time Federal Aid and assigning less funds to the following year's budget. The district intends to implement recommendations in the future reserve planning including funding our Repair Reserve and addressing the long term capital needs of the district.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2024

None Noted

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INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND

To the Board of Education
Gouverneur Central School District

Opinions

We have audited the accompanying Statement of Assets, Liabilities and Fund Balance - Cash Basis of the Extraclassroom Activity Fund of Gouverneur Central School District as of June 30, 2024, the related Statements of Cash Receipts and Disbursements – Cash Basis, and the related note to the financial statements for the year then ended.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Fund of the Gouverneur Central School District as of June 30, 2024, and its cash receipts and cash disbursements – cash basis for the year then ended on the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gouverneur 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.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gouverneur Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gouverneur 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.

Crowley & Halloran CPAs P.C.
Watertown, NY
September 25, 2024

GOUVERNEUR CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2024

ASSETS	
Cash	$ 96,788
Total Assets	$ 96,788
LIABILITIES AND FUND BALANCE	
Fund Balance	$ 96,788
Total Liabilities and Fund Balance	$ 96,788

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Cash Balances June 30, 2023	Receipts	Disbursements	Cash Balances June 30, 2024
Art Club	$ 1,064	$ -	$ 388	$ 676
Band	-	-	-	-
CODA	435	140	392	183
Class of 2022	4,390	-	4,390	-
Class of 2023	-	-	-	-
Class of 2024	14,408	26,303	35,581	5,130
Class of 2025	7,630	10,636	4,506	13,760
Class of 2026	778	10,412	5,804	5,386
Class of 2027	-	9,280	5,885	3,395
Deanonian	13,310	10,988	8,065	16,233
Drama-JH	2,079	7,695	3,654	6,120
Drama-SH	8,191	9,190	6,040	11,341
FFA	1,073	15,303	15,745	631
Interest	321	1,789	-	2,110
Key Club	1,268	1,225	-	2,493
Nat'l Jr. Honor Society	1,448	1,522	1,243	1,727
Nat'l Sr. Honor Society	2,064	10,056	9,652	2,468
Student Council - JH	9,473	23,580	25,892	7,161
Student Senate - SH	4,564	7,614	7,336	4,842
Taxes, Sales	286	2,896	2,877	305
Varsity	7,966	12,232	8,540	11,658
Thespian Society	1,979	956	1,766	1,169
Totals	$ 82,727	$ 161,817	$ 147,756	$ 96,788

The accompanying notes are an integral part of these financial statements.

GOUVERNEUR CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered a part of the reporting entity of the Gouverneur Central School District. The transactions for the year are not included in the combined financial statements of the school district, but the June 30, 2024 cash balances are included in the Fiduciary Fund.

The books and records of the Gouverneur Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

The School District's management requires that all activities included in the Extraclassroom Activity Fund meet the criteria for student activities as established by the New York State Education Department.

FORM OF BOND COUNSEL'S OPINION

LAW OFFICES

OF

Timothy R. McGill

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July 17, 2025

Board of Education of the
Gouverneur Central School District
Jefferson and St. Lawrence Counties, New York

Re: ***Gouverneur Central School District, St. Lawrence and Jefferson Counties, New York***
$40,800,000 Bond Anticipation Notes, 2025

Dear Board Members:

I have examined a record of proceedings relating to the issuance of $40,800,000 aggregate principal amount of Bond Anticipation Notes, 2025 of the Gouverneur Central School District, a school district of the State of New York. The Notes are [registered to ________________/ in book-entry-only form registered to "Cede & Co.,"] are dated July 17, 2025, are numbered 2025A-__, bear interest at the rate of ________________ per centum (___%) per annum payable at maturity, mature July 16, 2026, and are issued pursuant to the Local Finance Law of the State of New York and a bond resolution adopted January 8, 2024. The proposition approving the matters set forth in the bond resolution were approved by the voters of the School District on December 12, 2023. The Notes are not subject to redemption prior to maturity. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Waterloo Central School District, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the School District without limitation as to rate or amount.

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Notes is not a specific preference item for purposes of the Federal alternative minimum tax; 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. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Notes. Further, in my opinion, interest on the Notes is exempt from New York State and New York City personal income taxes under existing statutes.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my engagement in relation to the issuance of the Note has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of 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 and interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Notes for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, I express no opinion 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 the light of the circumstances under which they were made, not misleading.

Very truly yours,

Timothy R. McGill, Esq.

TRM: