

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

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

The Notes will be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

CROWN POINT CENTRAL SCHOOL DISTRICT



ESSEX COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 228561

\$5,760,980 Bond Anticipation Notes, 2025

(referred to herein as the "Notes")

Dated: July 10, 2025

Due: July 10, 2026

The Notes are general obligations of the Crown Point Central School District, Essex County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES - Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

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

At the option of the successful bidder(s), the Notes will be issued in registered certificated form in the name of the purchaser in the denominations of \$5,000 or multiples thereof, except for one necessary odd denomination of or including \$980. Principal and interest 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 determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder(s), the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (DTC), New York, New York, which will act as the securities depository for the Notes. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

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

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 26, 2025 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June 19, 2025

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



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School District Clerk



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors



TRESPASZ LAW OFFICES, LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
CROWN POINT CENTRAL SCHOOL DISTRICT
ESSEX COUNTY, NEW YORK
Relating To
\$5,760,980 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Crown Point Central School District, Essex County, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of \$5,760,980 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.

THE NOTES

Description of the Notes

The Notes will be dated July 10, 2025 and will mature July 10, 2026. The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. However, the power of the District to levy unlimited real estate taxes on all real property within the District for other purposes may be subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW" herein.

At the option of the purchaser, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Notes. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000, or integral multiples thereof, except for one necessary odd denomination of or including \$980. Purchasers will not receive certificates representing their interest in the Notes.

Principal and interest on the Notes are payable at maturity. Principal and interest will be paid by the District to the Securities Depository, 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. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the District referred to therein.

No Optional Redemption

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

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Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution, adopted of the District adopted August 22, 2023 authorizing a capital improvement project at a cost not to exceed \$5,760,980, and the issuance and sale of serial bonds and notes in an amount not to exceed \$5,760,980.

The proceeds of the Notes represents the initial borrowing against the aforementioned authorization.

Nature of Obligation

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

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

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

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, 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.

BOOK-ENTRY-ONLY SYSTEM

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, 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.

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except one necessary odd denomination of or including \$980. 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 DISTRICT

General Information

The District is a rural district located on the shores of Lake Champlain in the Adirondack Mountain Region. The District lies approximately 120 miles north of Albany and 80 miles north of Saratoga Springs, in the eastern sector of the Adirondack Park. The District includes portions of the Towns of Crown Point, Moriah and Ticonderoga in Essex County.

Major highways within or in close proximity to the District include Interstate Route 87, which extends north to Canada and south to New York City, and New York State Routes #9N, #22, and #74, which provide convenient access to each of the New York Interstates. Air transportation through the Burlington, Vermont Airport, the Plattsburgh International Airport and the Albany International Airport is provided by US Airways, as well as various commuter and regional airlines. Electric service is provided by the National Grid Power Corporation. Sewer and water services are provided by the municipalities located in the District. Police protection is provided by Town, County and State agencies. Various volunteer units provide fire protection. Banking services are provided by Champlain National Bank. Other banks in close proximity to the District include: The Ticonderoga Federal Credit Union, Glens Falls National Bank, and Community Bank.

Larger employers located within the District boundaries include Sylvamo (paper mill), and UVM Health Network. (See “Five Largest Employers” herein.)

Opportunities for higher education are available at State University of New York (SUNY) Plattsburgh, Middlebury College, University of Vermont, Castleton University and several community colleges.

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns and County 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 this Official Statement that the Towns or the County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Crown Point	\$ 23,981	\$ 33,849	\$ 40,519	\$ 60,130	\$ 82,404	\$ 96,979
Moriah	21,198	26,980	30,036	47,014	55,257	67,628
Ticonderoga	23,412	34,247	38,537	45,391	56,727	68,894
County of						
Essex	24,390	33,906	40,807	55,781	66,262	85,105
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

Note: U.S. Census Bureau, 2019-2024 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Population

The estimated population of the District is 1,806. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.)

Note: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Essex County	4.7%	4.4%	7.7%	4.7%	3.5%	3.5%	3.5%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

	<u>2025 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
Essex County	4.7%	5.1%	4.4%	3.5%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

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

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

Five Larger Employers

The larger employers located near and within the District include:

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Collins Aerospace	Manufacturing	800
Porter Hospital	Hospital	750
Sylvamo	Paper Mill	600
Hudson Headwaters Health	Medical	400
UVM Health Network	Medical	300

Source: District officials.

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping three-year terms so two new members are elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other district offices or position while serving on the Board of Education. The President and Vice President are selected by the Board members.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and bond anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 with a vote of 91 yes to 6 no. The District's adopted budget included a total tax levy increase of 1.99% which is within the District's Tax Cap of 2.0% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 71 to 5. The budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.99% which was less than the District tax levy limit of 10.10% for the 2025-26 fiscal year.

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 78.93% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal aid received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 89.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

School district fiscal year (2021-2022): The State's 2021-22 Budget included \$29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, 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 were allocated to expand full-day kindergarten programs. Under the budget, school districts were 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. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Budget provided \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Budget also programed \$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 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 Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Budget increased 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 Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. 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 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 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 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 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 \$37.6 billion in State funding to school districts for the 2025-26 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 July 10, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

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

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

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

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

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

State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	6,771,545	4,993,795	73.75
2020-2021	6,813,505	4,940,395	72.51
2021-2022	6,961,897	5,146,575	73.92
2022-2023	7,547,943	5,696,309	75.46
2023-2024	8,317,721	6,455,801	77.62
2024-2025 (Budgeted)	8,889,851	7,048,071	79.28
2025-2026 (Budgeted)	8,906,189	7,029,748	78.93

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

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built / Additions</u>
Crown Point Central School Main Building	4-12	600	1925, '60, '67, '85, '89, '91
Old Bus Garage ⁽¹⁾	K-3	90	1960, '85, '01
New Bus Garage	N/A	N/A	2001

⁽¹⁾ The old Bus Garage has been renovated into classrooms.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-2021	317	2025-2026	320
2021-2022	320	2026-2027	320
2022-2023	323	2027-2028	320
2023-2024	318	2028-2029	320
2024-2025	305	2029-2030	320

Source: District officials.

Employees

The District employs a total of 53 full-time and 4 part-time employees with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
31	Crown Point Teacher's Association, Local 2595	June 30, 2026
13	Crown Point Non-Instructional Association, Local 4946	June 30, 2027

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	77,031	182,736
2020-2021	75,791	164,590
2021-2022	75,791	157,330
2022-2023	62,172	198,715
2023-2024	66,464	227,620
2024-2025 (Budgeted)	114,862	309,278
2025-2026 (Budgeted)	119,457	321,649

Source: District records.

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 to 2026) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
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. Final contribution rate expected to be adopted at the July 31, 2025 TRS Retirement Board meeting.

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 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. As of the date of this Official Statement, the District has not established such a fund.

Other Post-Employment Benefits

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

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

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

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

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

	Balance at:	July 1, 2022	July 1, 2023
		<u>\$ 16,057,561</u>	<u>\$ 15,027,923</u>
<u>Changes for the year:</u>			
Service cost		601,350	456,971
Interest		352,908	541,694
Differences between expected and actual experience		-	1,333,110
Changes of benefit terms		-	-
Changes in assumptions or other inputs		(1,648,099)	268,519
Benefit payments		<u>(335,797)</u>	<u>(365,614)</u>
Net Changes		<u>\$ (1,029,638)</u>	<u>\$ 2,234,680</u>
	Balance at:	June 30, 2023	June 30, 2024
		<u><u>\$ 15,027,923</u></u>	<u><u>\$ 17,262,603</u></u>

Source: Audited financial reports of the District. For additional information see “APPENDIX - D” attached hereto. The above table is not audited.

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

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

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

Other Information

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

No principal or interest upon any obligation of the 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 Continuing Disclosure 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.

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 8, 2022. The purpose of the audit was to determine whether the Crown Point Central School District (District) used District resources to provide the mental health component of the New York Safe Schools Against Violence in Education Act (SAVE Act) training requirement to staff.

Key Findings

The District did not provide mental health training as required to all staff for the 2020-21 school year by September 15, 2020 per New York State Education Department (SED) regulations.

- Only instructional staff were required to complete mental health training.
- Three of the 12 recommended components of mental health that educators should know were missing from the District's training.

Documentation to support attendance for the training was not maintained and we were unable to determine which staff members participated.

Key Recommendation

Provide mental health training to all staff and ensure it is completed by September 15, as required. Such training should address recognition of the warning signs, whom to turn to for assistance, and how to access appropriate services.

District officials agreed with the recommendation and indicated they will take corrective action.

There are no other recent Office of the State Comptroller's audits of the District that are currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation 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 to Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0

Note: The Fiscal Score for the 2024-25 fiscal year has not been calculated as of the date of this Official Statement.

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

TAX INFORMATION

Taxable Assessed Valuation

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Crown Point	\$ 164,790,847	\$ 167,013,281	\$ 176,937,456	\$ 181,504,011	\$ 182,826,551
Moriah	1,887,229	1,970,745	2,019,510	2,139,706	2,015,007
Ticonderoga	2,060,806	2,161,853	2,400,756	2,445,807	2,745,481
Total Assessed Values	<u>\$ 168,738,882</u>	<u>\$ 171,145,879</u>	<u>\$ 181,357,722</u>	<u>\$ 186,089,524</u>	<u>\$ 187,587,039</u>

State Equalization Rates

Towns of:					
Crown Point	100.00%	100.00%	100.00%	83.00%	74.09%
Moriah	100.00%	94.40%	94.00%	75.00%	68.00%
Ticonderoga	100.00%	100.00%	100.00%	87.00%	100.00%
Total Taxable Full Valuation	<u>\$ 168,738,882</u>	<u>\$ 171,262,788</u>	<u>\$ 181,486,627</u>	<u>\$ 224,343,745</u>	<u>\$ 252,471,516</u>

Tax Rates per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Crown Point	\$ 10.02	\$ 10.06	\$ 9.34	\$ 9.17	\$ 9.30
Moriah	10.02	10.65	9.94	10.15	10.13
Ticonderoga	10.02	10.06	9.34	8.75	6.89

Tax Collection Procedure

District taxes are collected by the School Tax Collector and are payable during the month of September without penalty. Taxes paid in October are subject to a 2% penalty. In November, a list of all unpaid taxes is given to the County Treasurer for re-levy on County/Town tax rolls. The District is reimbursed by the County for all unpaid taxes the first week in April of each year and is thus assured of 100% collection of its annual levy.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy ⁽¹⁾	\$ 1,690,560	\$ 1,723,864	\$ 1,694,924	\$ 1,612,877	\$ 1,657,035
Amount Uncollected ⁽²⁾	145,207	150,107	155,112	142,962	155,054
% Uncollected	8.59%	8.71%	9.15%	8.86%	9.36%

⁽¹⁾ Represents the tax levy less STAR reimbursement.

⁽²⁾ See "Tax Collection Procedure" herein.

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Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 6,771,545	\$ 1,465,900	21.65%
2020-2021	6,813,505	1,506,872	22.12
2021-2022	6,961,897	1,545,760	22.20
2022-2023	7,547,943	1,534,085	20.32
2023-2024	8,317,720	1,714,182	20.61
2024-2025 (Budgeted)	8,889,851	1,741,780	19.59
2025-2026 (Budgeted)	8,906,189	1,776,441	19.95

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

Larger Taxpayers 2024 for 2024-25 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid	Utility	\$ 12,348,624
State of New York	State	6,493,600
Lyme Adirondack Timberlands	Private forest Land	4,597,807
D&H Corporation	Railroad	2,375,552
Gunnison Lakeshore Orchards	Fruit Crop	2,020,208
Crown Point Telephone Co	Telephone Utility	1,924,906
Stutzenstein Family Trust	Resident	804,000
Murray, William F	Resident	800,000
Carr, Calvin H	Resident	747,200
Gabree, Michael Philip	Resident	727,800

The ten larger taxpayers listed above have a total taxable assessed valuation of \$32,839,697, which represents 17.51% of the tax base of the District for the 2024-25 fiscal year.

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

Source: District Tax Rolls and the County of Essex Office of Real Property Tax Services.

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.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$98,700 or less in 2023-2024, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 for the 2023-24 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 2019-20 Enacted 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 2020-21 Enacted 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. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

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

The below table lists the basic and enhanced exemption amounts for the 2024-25 District tax roll for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Crown Point	\$ 64,480	\$ 23,760	4/10/2025
Moriah	86,100	30,000	4/10/2025
Ticonderoga	86,100	30,000	4/10/2025

\$144,925 of the District's \$1,741,780 school tax levy for the 2024-2025 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2025.

Approximately \$155,000 of the District's \$1,776,441 school tax levy for the 2025-2026 fiscal year will be exempted by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in 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-91%; State Land-4%, Commercial-3% and Agricultural-2%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$2,100 including County, Town, School District and Fire 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, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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.

The District has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment roll by the equalization rate established by the State Office of Real Property Services in accordance with applicable State law.

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 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 the State also permits the District to issue bond anticipation notes to be issued in anticipation of the issuance of serial bonds, which may be renewed each year, provided annual principal installments are made in the reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance date of such notes and provided that such renewals do not exceed five years beyond the original date of the issuance of such notes. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

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

Debt Outstanding At End of Fiscal Year

<u>Fiscal Years Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 640,000	\$ 520,000	\$ 1,008,500	\$ 810,000	\$ 605,000
Revenue Anticipation Notes	3,144,064	0	0	0	0
Bond Anticipation Notes	618,370	618,370	0	0	0
Lease Obligations ⁽¹⁾	<u>549,342</u>	<u>445,671</u>	<u>218,981</u>	<u>197,919</u>	<u>111,610</u>
Total Debt Outstanding	<u>\$ 4,951,776</u>	<u>\$ 1,584,041</u>	<u>\$ 1,227,481</u>	<u>\$ 1,007,919</u>	<u>\$ 716,610</u>

⁽¹⁾ See "Lease Obligations" herein.

Details of Outstanding Indebtedness

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

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2030	\$ 395,0000
<u>Bond Anticipation Notes</u>	-	<u>0</u>
Total Indebtedness		<u>\$ 395,000</u>

Debt Statement Summary

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

Full Valuation of Taxable Real Property	\$ 252,471,615
Debt Limit 10% thereof	25,247,162

Inclusions:

Bonds.....	\$ 395,000
Bond Anticipation Notes (BANs):.....	<u>0</u>
Total Inclusions prior to issuance of the Notes	<u>395,000</u>
Less: BANs being redeemed from appropriations	0
Add: New money proceeds of the Notes	<u>5,760,980</u>
Total Net Inclusions after issuance of the Notes	<u>\$ 6,155,980</u>

Exclusions:

State Building Aid ⁽¹⁾	<u>\$ 0</u>
Total Exclusions	<u>\$ 0</u>

Total Net Indebtedness <u>after issuance of the Notes</u>	<u>\$ 6,155,980</u>
Net Debt-Contracting Margin	<u>\$ 19,091,182</u>
The percent of debt contracting power exhausted is	24.38%

- ⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2025-26 Building Aid Ratios, the School District anticipates State building aid of 89.2% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Capital Project Plans

On August 22, 2023 the District Board of Education approved a proposition authorizing a capital improvement project at a cost not to exceed \$5,760,980, and the issuance and sale of serial bonds and notes in an amount not to exceed \$5,760,980.

The proceeds of the Notes represents the initial borrowing against the aforementioned authorization and will fully exhaust the borrowing power of the authorization.

Cash Flow Borrowing

The District, historically, has not issued tax and/or revenue anticipation notes, and does not plan on issuing any in the foreseeable future.

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Essex	06/29/2024	\$ 7,740,000 ⁽³⁾	\$ 610,000	\$ 7,130,000	2.46%	\$ 175,611
Town of:						
Crown Point	12/31/2023	- ⁽⁴⁾	- ⁽⁵⁾	-	98.95%	-
Moriah	12/31/2023	7,567,960 ⁽⁴⁾	- ⁽⁵⁾	7,567,960	0.77%	58,273
Ticonderoga	12/31/2023	- ⁽⁴⁾	- ⁽⁵⁾	-	0.33%	-
Total:						<u>\$ 233,885</u>

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

Debt Ratios

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

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 6,155,980	\$ 3,408.63	2.44%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	6,389,865	3,538.13	2.53

- (a) The District's estimated population is 1,806. (See "THE SCHOOL DISTRICT - Population" herein.)
- (b) The District's full valuation of taxable real estate for the 2024-2025 fiscal year is \$252,471,516. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.
- (d) The District's applicable share of Net Overlapping Indebtedness is estimated to be \$233,885. (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.

Cybersecurity

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

Federal Policy Risk

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

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.

TAX MATTERS

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

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

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

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

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

LEGAL MATTERS

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

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.

However, the District was served with a Notice of Claim in the matter of *Ann Corkins v. Crown Point Central School District et al*, on December 16, 2024 (the "Claim"). The Claim alleges that Ms. Corkins suffered personal injuries (fractures in her shoulder and arm as well as facial injuries) as the result of the District's negligence on October 8, 2024 and demanded \$1,200,000.00. The District is being represented in this matter by Fischer, Bessette, Muldowney & McArdle, LLP. As of the date of this Official Statement, no lawsuit has been filed.

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

RATING

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

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

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the Issuer, expresses no opinion 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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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.

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 or hacking in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

The District's contact information is as follows: Shari Brannock, Assistant Superintendent for Business, 2758 Main Street, Crown Point, New York 12928, Phone: (518) 597-4200 x7, email: brannock@cpcsteam.org.

CROWN POINT CENTRAL SCHOOL DISTRICT

Dated: June 19, 2025

MITCH ST. PIERRE
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 3,542,759	\$ 1,292,476	\$ 1,507,855	\$ 1,291,316	\$ 1,724,252
Restricted Cash	65,007	86,510	109,385	136,524	136,912
Accounts Receivable	171,959	160,334	155,623	242,789	230,997
State and Federal Aid Receivable	359,504	277,789	203,689	252,116	237,099
Due from Other Funds	111,918	261,918	218,065	723,065	893,065
Other Receivables	-	-	-	-	-
Due from Fiduciary Funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 4,251,147</u>	<u>\$ 2,079,027</u>	<u>\$ 2,194,617</u>	<u>\$ 2,645,810</u>	<u>\$ 3,222,325</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 14,885	\$ 25,000	\$ -	\$ -	\$ -
Accrued Liabilities		26,720	25,454	29,397	24,734
Revenue Anticipation Note	3,144,064	-	-	-	-
Bond Anticipation Note	618,370	618,370	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Teacher's Retirement System	183,066	170,486	198,859	214,145	229,822
Due to Employee's Retirement System	19,199	38,759	14,042	18,128	24,032
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>3,979,584</u>	<u>879,335</u>	<u>238,355</u>	<u>261,670</u>	<u>278,588</u>
<u>FUND EQUITY</u>					
Reserved	\$ 65,007	\$ 65,007	\$ 90,005	\$ 115,007	\$ 115,007
Unreserved:					
Appropriated	206,556	129,904	413,319	357,836	1,016,397
Unappropriated	-	1,004,781	1,452,938	1,911,297	1,812,333
TOTAL FUND EQUITY	<u>271,563</u>	<u>1,199,692</u>	<u>1,956,262</u>	<u>2,384,140</u>	<u>2,943,737</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 4,251,147</u>	<u>\$ 2,079,027</u>	<u>\$ 2,194,617</u>	<u>\$ 2,645,810</u>	<u>\$ 3,222,325</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 1,425,445	\$ 1,465,980	\$ 1,506,872	\$ 1,545,760	\$ 1,534,085
Other Tax Items	207,470	198,737	189,139	183,884	170,357
Charges for Services	2,637	1,928	-	2,558	-
Use of Money & Property	851	147	293	171	491
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	138,721	79,640	153,951	82,949	63,036
Revenues from State Sources	4,932,186	4,993,795	4,940,395	5,146,575	5,685,157
Revenues from Federal Sources	18,333	31,318	22,855	-	-
Total Revenues	<u>\$ 6,725,643</u>	<u>\$ 6,771,545</u>	<u>\$ 6,813,505</u>	<u>\$ 6,961,897</u>	<u>\$ 7,453,126</u>
Other Sources:					
Bond Proceeds	-	-	-	\$ 613,500	-
Lease Proceeds	-	-	-	87,652	94,816
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>6,725,643</u>	<u>6,771,545</u>	<u>6,813,505</u>	<u>7,663,049</u>	<u>7,547,942</u>
<u>EXPENDITURES</u>					
General Support	\$ 966,490	\$ 1,616,518	\$ 828,294	\$ 1,077,809	\$ 1,104,257
Instruction	3,198,051	3,013,662	2,645,852	3,174,305	3,259,765
Pupil Transportation	345,558	344,621	371,958	367,099	409,799
Community Services	72,369	62,565	60,536	58,800	45,883
Employee Benefits	1,959,933	1,946,427	1,763,967	1,899,947	1,841,516
	<u>313,516</u>	<u>316,163</u>	<u>214,769</u>	<u>266,600</u>	<u>358,844</u>
Total Expenditures	<u>\$ 6,855,917</u>	<u>\$ 7,299,956</u>	<u>\$ 5,885,376</u>	<u>\$ 6,844,560</u>	<u>\$ 7,020,064</u>
Other Uses:					
Interfund Transfers	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>61,919</u>	<u>100,000</u>
Total Expenditures and Other Uses	<u>6,955,917</u>	<u>7,299,956</u>	<u>5,885,376</u>	<u>6,906,479</u>	<u>7,120,064</u>
Excess (Deficit) Revenues Over Expenditures	<u>(230,274)</u>	<u>(528,411)</u>	<u>928,129</u>	<u>756,570</u>	<u>427,878</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	1,030,248	799,974	271,563	1,199,692	1,956,262
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 799,974</u>	<u>\$ 271,563</u>	<u>\$ 1,199,692</u>	<u>\$ 1,956,262</u>	<u>\$ 2,384,140</u>

⁽¹⁾ See "Note 14. Prior Period Adjustment" to the Audited Financial Statements, attached hereto as "APPENDIX - C".

GENERAL FUND

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

Fiscal Years Ending June 30:	2024			2025	2026
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 1,707,795	\$ 1,532,795	\$ 1,552,717	\$ 1,741,780	\$ 1,776,441
Other Tax Items	-	175,000	161,465	-	-
Charges for Services	-	-	-	-	-
Use of Money & Property	-	500	1,033	-	-
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	100,000	69,500	146,704	100,000	100,000
Revenues from State Sources	6,632,006	6,662,006	6,455,801	7,048,071	7,029,748
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 8,439,801</u>	<u>\$ 8,439,801</u>	<u>\$ 8,317,720</u>	<u>\$ 8,889,851</u>	<u>\$ 8,906,189</u>
Other Sources:					
Bond Proceeds	-	-	-	-	-
Prior year's encumbrances	-	-	-	-	-
Appropriated fund balance	316,613	357,836	-	671,926	862,841
Lease Proceeds	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>8,756,414</u>	<u>8,797,637</u>	<u>8,317,720</u>	<u>9,561,777</u>	<u>9,769,030</u>
EXPENDITURES					
General Support	\$ 1,178,475	\$ 1,297,934	\$ 1,145,892	\$ 1,250,043	\$ 1,267,178
Instruction	3,690,343	3,884,058	3,631,402	3,880,152	4,174,429
Pupil Transportation	904,948	818,997	398,972	1,050,180	856,176
Community Services	80,725	115,865	76,820	80,725	88,225
Employee Benefits	2,463,635	2,138,893	1,973,862	3,300,677	2,741,159
Debt Service	231,488	335,090	324,375	137,363	191,863
Total Expenditures	<u>\$ 8,549,614</u>	<u>\$ 8,590,837</u>	<u>\$ 7,551,323</u>	<u>\$ 9,699,140</u>	<u>\$ 9,319,030</u>
Other Uses:					
Interfund Transfers	206,800	206,800	206,800	-	450,000
Total Expenditures and Other Uses	<u>8,756,414</u>	<u>8,797,637</u>	<u>7,758,123</u>	<u>9,699,140</u>	<u>9,769,030</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>559,597</u>	<u>(137,363)</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	2,384,140	137,363	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,943,737</u>	<u>\$ -</u>	<u>\$ -</u>

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

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2010 - Capital Project		
	Principal	Interest	Total
2025	\$ 135,000	\$ 2,363	\$ 137,363
TOTALS	\$ 135,000	\$ 2,363	\$ 137,363

Fiscal Year Ending June 30th	2022 BOCES Project		
	Principal	Interest	Total
2025	\$ 75,000	\$ 16,863	\$ 91,863
2026	75,000	14,238	89,238
2027	75,000	11,613	86,613
2028	80,000	8,988	88,988
2029	80,000	6,188	86,188
2030	85,000	3,188	88,188
TOTALS	\$ 470,000	\$ 61,075	\$ 531,075

MATERIAL EVENT NOTICES

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

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

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

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

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

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

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed material event notices, if any, on or before the date specified.

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

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

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

CROWN POINT CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENT

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.

**CROWN POINT CENTRAL
SCHOOL DISTRICT**

**Independent Auditor's Report Pursuant
to Governmental Auditing Standards
and the Requirements of the Uniform Guidance**

Year Ended June 30, 2024

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**Independent Auditor's 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
Crown Point Central School District
Crown Point, New York

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 Crown Point Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Crown Point Central School District's basic financial statements, and have issued our report thereon dated September 6, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crown Point Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2024-001.

Crown Point Central School District's Response to Finding

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

Purpose of this Report

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

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
September 6, 2024

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

To the Board of Education
Crown Point Central School District
Crown Point, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crown Point 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 Crown Point Central School District's major federal programs for the year ended June 30, 2024. Crown Point 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, Crown Point 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Crown Point 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 Crown Point Central School District's basic financial statements. We issued our report thereon dated September 6, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 as required by the Uniform Guidance 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of expenditures of federal awards* is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
September 6, 2024

CROWN POINT CENTRAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA / Assistance Listing	Pass-through Entity Identifying Number	Payments to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Pass-through programs from:				
New York State Education Department:				
Child Nutrition Cluster:				
Cash Assistance:				
Breakfast	10.553	N/A	\$ -	\$ 45,164
National School Lunch	10.555	N/A	-	120,367
Total Cash Assistance			-	165,531
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A	-	9,844
Total U.S. Department of Agriculture			-	175,375
U.S. Department of Education				
Pass-through programs from:				
New York State Education Department				
Special Education Cluster:				
IDEA - Part B Section 611	84.027A	0032-24-0246	-	98,244
IDEA - Part B Section 619	84.173A	0033-24-0246	-	3,349
Total Special Education Cluster			-	101,593
Education Stabilization Fund:				
COVID 19 ARP ESSER 3	84.425U	5880-21-0860	-	107,721
COVID 19 ARP Comprehensive After School	84.425U	5883-21-0860	-	50,201
COVID 19 ARP SLR Learning Loss	84.425U	5884-21-0860	-	352,356
COVID 19 CRRSA ESSER II	84.425D	5891-21-0860	-	26,809
Total Education Stabilization Fund			-	537,087
Title I - A&D Improvements	84.010A	0021-24-0860	-	69,975
Title II A	84.367A	0147-24-0860	-	8,174
Title IV	84.424A	0204-24-0860	-	10,000
Total U.S. Department of Education			-	726,829
Total federal expenditures			\$ -	\$ 902,204

See Notes to Schedule of Expenditures of Federal Awards.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified cash basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the District's financial statements. 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 presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

Note 2 - Summary of Certain Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as Federal expenditures were obtained from the Federal financial reports for the applicable program and period. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Note 3 – Scope of Audit

The District is an independent municipal corporation. All Federal grant operations of the District are included in the scope of the single audit.

Note 4 – Non-Cash Assistance

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling \$9,844.

Note 5 – Indirect Cost Rate

The District has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

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

Note 6 – Other Disclosures

No insurance is carried specifically to cover equipment purchased with Federal funds. Equipment purchased with Federal funds is covered by the District's casualty insurance policy.

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal Control over financial reporting:			
Material weakness identified?	<u> </u>	Yes <u> X </u>	No
Significant deficiencies identified?	<u> </u>	Yes <u> X </u>	None noted
Noncompliance material to the financial statement	<u> </u>	Yes <u> X </u>	No

Federal Awards

Internal control over major federal programs:			
Material weakness identified?	<u> </u>	Yes <u> X </u>	No
Significant deficiencies identified?	<u> </u>	Yes <u> X </u>	None noted

Type of auditor's report issued on compliance for federal major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR-200.516(a)	<u> </u>	Yes <u> X </u>	No
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Identification of major federal programs:	<u>Name of Federal Program or Cluster</u>
<u>AL Numbers</u>	Education Stabilization Fund
84.425U and 84.425D	

Dollar threshold used to distinguish between type A and type B programs	\$750,000
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Auditee qualified as a low risk auditee?	<u> </u>	Yes <u> X </u>	No
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CROWN POINT CENTRAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Type of Finding - Compliance and Other Matters

2024-001 Excess Unassigned Fund Balance

Criteria: New York State Real Property Tax Law requires school districts to maintain their unrestricted fund balance at or below 4% of the ensuing year's appropriations.

Condition: The portion of the District's fund balance subject to New York State Real Property Tax Law limit was 18.8% of next year's general fund budget.

Context: This is a repeat finding for the past several years. According to New York State Real Property Tax Law Section 1318, a district's unassigned fund balance may not exceed an amount equal to 4% of next year's budget.

Effect: Funds were not used in a manner that benefited taxpayers such as increasing legally adopted reserves, paying off debt, and reducing property taxes.

Cause: The District adopted budgets with appropriations which exceeded the actual amounts needed.

Recommendation: We recommend the District keep in mind this property tax law when preparing future budget.

Management's response: See attached.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

SECTION IV – PRIOR YEAR FINDINGS

<u>Finding Number</u>	<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Current Year Status</u>
2023-001	None	Excess Unassigned Fund Balance	Repeated in 2024-001



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2024-001 Excess Unassigned Fund Balance

Summary of finding: The District's unassigned fund balance was 18.8% of next year's General Fund budget. According to New York State Real Property Tax Law Section 1318, a district's unassigned fund balance may not exceed 4% of next year's budget.

Statement of Concurrence or Nonconcurrence: We agree with the finding of the independent auditor.

Corrective Action: Crown Point Central School District has taken a conservative approach to spending as state aid remains uncertain. The Board of Education plans to use its fund balance in the future budgets to provide stability to the taxpayers in a fiscally responsible manner.

Contact person: Shari Brannock, Assistant Superintendent for Business, phone (518) 597-4200 fax (518) 597-4121, brannock@cpcsteam.org.


Shari Brannock

**CROWN POINT CENTRAL
SCHOOL DISTRICT
Financial Statements
Year Ended June 30, 2024**

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Independent Auditor's Report

To the Board of Education
Crown Point Central School District
Crown Point, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crown Point 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 Crown Point 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 Crown Point 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 Crown Point Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crown Point 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 the Crown Point 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 Crown Point 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, budgetary comparison information, schedule of progress for the retiree health plan, schedule of proportionate share of net pension asset/liability, and schedule of District's contributions on pages 4-9 and 46-49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Crown Point Central School District's basic financial statements. The accompanying schedule of change from original budget to revised budget, section 1318 real property tax law calculation, and net investment in capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of change from original budget to revised budget, section 1318 real property tax law calculation, and net investment in capital assets 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 6, 2024, on our consideration of the Crown Point 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 the Crown Point 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 Crown Point Central School District's internal control over financial reporting and compliance.

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
September 6, 2024

**CROWN POINT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024**

As management of Crown Point Central School District, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. Other forward-looking indicators will also assist the reader to assess the overall financial health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements consist of the following activities:

- **Governmental activities** – Most of the District's basic services are reported here, including general support, instruction, and pupil transportation. Real property taxes and state and federal grants finance most of these activities.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Special Aid Fund, Capital Fund, and School Food Service Fund, all of which are considered major funds.

The General Fund is the only fund which the District legally adopts a budget. The Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the District. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose. Fiduciary funds use the accrual basis of accounting and are reported using the economic resources measurement focus.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide explanations of the accounting principles followed and include tables with more detailed analyses of accounts requiring further clarification. The notes to the financial statements can be found immediately following the basic financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America. The required supplementary information can be found immediately after the notes to the financial statements.

Supplementary information

Supplementary information includes schedules that are not a required part of the basic financial statements but are presented for purposes of additional analysis. The supplementary information is presented following the required supplementary information.

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$9,733,042 (i.e., net position), a change of \$(178,846) in comparison to the prior year.
- As of the close of the current fiscal year, the governmental activities reported total revenue of \$9,362,279 , a change of \$893,512 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental activities reported total expenses of \$9,541,125, a change of \$1,173,607 in comparison to the prior year.

- As of the close of the current fiscal year, governmental funds reported a combined ending fund balance of \$3,032,289, a change of \$553,917 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental funds reported total revenue of \$9,362,279, a change of \$893,512 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental funds reported total expenses of \$8,808,362, a change of \$566,417 in comparison to the prior year.
- As of the close of the current fiscal year, unassigned fund balance for the General Fund was \$1,812,333 a change of \$(98,964) in comparison to the prior year.
- As of the close of the current fiscal year, the District reported total outstanding long-term indebtedness of \$716,610, a change of \$(291,309) in comparison to the prior year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	<u>Net Position</u>		
	June 30, 2024	June 30, 2023	Percentage Change
Assets			
Current assets	\$ 3,340,601	\$ 2,758,594	21.1%
Noncurrent assets	4,339,895	4,265,775	1.7
Total assets	7,680,496	7,024,369	9.3
Deferred outflows of resources			
OPEB	3,316,453	2,781,305	19.2
Pensions	1,097,739	1,367,620	-19.7
Total deferred outflows of resources	4,414,192	4,148,925	6.4
Total assets and deferred outflows of resources	\$ 12,094,688	\$ 11,173,294	8.2%
Liabilities			
Long-term debt outstanding	\$ 19,393,258	\$ 17,647,617	9.9%
Other liabilities	278,685	261,516	6.6
Total liabilities	19,671,943	17,909,133	9.8
Deferred inflows of resources			
Unearned Revenue	29,627	18,706	58.4
OPEB	1,878,912	2,586,612	-27.4
Pensions	247,248	213,039	16.1
Total deferred inflows of resources	2,155,787	2,818,357	-23.5
Net position			
Net investment in capital assets	4,093,285	3,802,586	7.6
Restricted	115,007	115,007	-
Unrestricted	(13,941,334)	(13,472,059)	3.5
Total net position	(9,733,042)	(9,554,196)	1.9
Total liabilities, deferred inflows of resources, and net position	\$ 12,094,688	\$ 11,173,294	8.2%

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$(9,733,042) a change of \$(178,846) from the prior year.

The largest portion of net position, \$4,093,285, reflects our investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$115,007, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position in the amount of \$(13,941,334) is a deficit, primarily resulting from the District's unfunded net pension liability and Other Post-Employment Benefit (OPEB) liability.

	<u>Change in Net Position</u>		
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percentage Change</u>
Revenues			
Program Revenues			
Charges for services	\$ 5,014	\$ 44,631	-88.8%
Operating grants	1,039,495	970,974	7.1
General revenues			
Property taxes and tax items	1,714,182	1,704,442	0.6
State sources	6,455,801	5,685,157	13.6
Use of money and property	1,083	527	105.5
Miscellaneous	146,704	63,036	132.7
Total revenues	<u>9,362,279</u>	<u>8,468,767</u>	<u>10.6</u>
Expenses			
General support	1,164,337	1,143,258	1.8
Instruction	4,492,349	4,140,674	8.5
Transportation	443,545	433,195	2.4
Home and community service	76,820	38,003	102.1
Employee benefits	3,172,858	2,435,143	30.3
Interest	33,066	44,466	-25.6
School lunch program	158,150	132,779	19.1
Total expenses	<u>9,541,125</u>	<u>8,367,518</u>	<u>14.0</u>
Change in net position	(178,846)	101,249	-276.6
Net position – beginning of year	<u>(9,554,196)</u>	<u>(9,655,445)</u>	<u>-1.2</u>
Net position – end of year	\$ <u>(9,733,042)</u>	\$ <u>(9,554,196)</u>	<u>1.9%</u>

Governmental activities

The District's total revenues for the 2024 fiscal year were \$9,362,279 versus expenses of \$9,541,125. For the year, the District's net position decreased by \$(178,846) to bring the total net position of the primary government to \$(9,733,042). The drivers of revenues for the year were state sources, property taxes, and operating grants. State sources comprised 69% of total revenues while property taxes and tax items were 18% of total revenue. Revenues were up from the prior year by \$893,993.

For expenses, general support, instruction, and employee benefits made up a majority of the costs of the governmental activities. Total expenses for general support were \$1,164,337, which consisted primarily of central administration, central services, and special items. Instruction total expenses for the year were \$4,492,349. Costs associated with instruction included \$1,300,698 of teaching – regular school and \$1,822,490 for programs for handicapped children.

Governmental funds

General Fund – the General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance was \$1,812,333 and the total fund equity was \$2,943,737. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. For the current year, unassigned fund balance represents 24% of total expenditures (including transfers out), while total fund balance was 39% of the same amount. The total fund balance of the District's General Fund increased by \$559,597 during the current fiscal year.

Special Aid Fund – the Special Aid Fund is used to account for operating projects or programs supported in whole, or in part, with federal funds or state or local grants. The fund balance at the end of the year was \$114,211. The fund balance of the District's Special Aid Fund decreased by \$(1,309) during the current fiscal year.

Capital Fund – the Capital Fund is used to account for the financial resources used for the acquisition, construction, or major repair of capital facilities. The fund balance at the end of the year was \$(170,574). The fund balance of the District's Capital Fund decreased by \$(62,520) during the current fiscal year.

School Food Service Fund – the School Food Service Fund is used to account for transactions of the lunch and breakfast programs. The fund balance at the end of the year was \$144,915. The fund balance of the School Food Service Fund increased by \$58,149 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the District reallocates funds within the General Fund budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the District's original and final General Fund budget amounts compared with actual results is shown on the Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund.

The original budget for the General Fund for Crown Point Central School was \$8,756,414. The total was revised during year to \$8,797,637. The difference arises from the prior year encumbrances.

The School District had a positive performance of expenditures with the original budget after last year encumbrances of \$8,797,637 and an actual performance of \$7,758,123 of expenditures, and \$344,471 of encumbrances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

Total investment in capital assets for governmental activities at year end amounted to \$4,093,285 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and system improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

Capital Asset Additions:

Construction in Progress	\$	269,320
2019 Bus		34,450
Garland 36" HD Kitchen Range		13,485
Vulcan Convection Oven		13,910

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term debt

At the end of the current fiscal year, total debt outstanding consisting of bonds payable and lease liability was \$716,610, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could affect its future financial health.

The District relies heavily on school taxes to support the budget. In 2011, New York State established the property tax cap law limiting school districts ability to raise taxes by 2% or the rate of inflation, whichever is less. This prevents districts from trying to increase school taxes to supplement the state aid reduction. With revenue sources limited, primarily to state aid and property taxes, it is difficult to keep up with rising costs to provide a quality education to our students.

The uncertainty of the state's financial position, as it relates to its funding of education, and ongoing litigation challenging the formulas used by New York State to distribute aid, make it difficult to project revenues as a part of the District's long-term planning.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Business Office
Crown Point Central School District
Main Street
Crown Point, NY 12928
(518) 597-3285

CROWN POINT CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

Assets	
Cash - unrestricted	\$ 2,129,415
Cash - restricted	136,912
Accounts receivable	258,817
State and federal aid receivable	813,867
Inventories	1,590
Right to use assets, net	108,822
Capital assets, net	4,231,073
Total assets	<u>7,680,496</u>
Deferred outflows of resources	
OPEB	3,316,453
Pensions	1,097,739
Total deferred outflows of resources	<u>4,414,192</u>
Total assets and deferred outflows of resources	\$ <u>12,094,688</u>
Liabilities	
Payables:	
Accrued liabilities	\$ 24,831
Long-term liabilities:	
Due and payable within one year:	
Bonds payable	210,000
Lease liability	53,903
Due to Teachers' Retirement System	229,822
Due to Employees' Retirement System	24,032
Due and payable after one year:	
Bonds payable	395,000
Lease liability	57,707
Compensated absences payable	1,081,925
Net pension liability - proportionate share	332,120
Other postemployment benefits payable	17,262,603
Total liabilities	<u>19,671,943</u>
Deferred inflows of resources	
Unearned revenue	29,627
OPEB	1,878,912
Pensions	247,248
Total deferred inflows of resources	<u>2,155,787</u>
Net position	
Net investment in capital assets	4,093,285
Restricted:	
Unemployment insurance	100,488
Capital	14,519
Unrestricted	<u>(13,941,334)</u>
Total net position	<u>(9,733,042)</u>
Total liabilities, deferred inflows of resources, and net position	\$ <u>12,094,688</u>

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2024

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
Functions/Programs					
General support	\$ 1,164,337	\$ -	\$ -	\$ -	\$ (1,164,337)
Instruction	4,492,349	-	796,444	-	(3,695,905)
Pupil transportation	443,545	-	-	-	(443,545)
Home and community service	76,820	-	-	-	(76,820)
Employee benefits	3,172,858	-	-	-	(3,172,858)
Interest expense	33,066	-	-	-	(33,066)
School lunch program	158,150	5,014	243,051	-	89,915
Total functions/programs	<u>\$ 9,541,125</u>	<u>\$ 5,014</u>	<u>\$ 1,039,495</u>	<u>\$ -</u>	<u>(8,496,616)</u>
General revenues					
Real property taxes					1,552,717
Other tax items					161,465
Use of money and property					1,083
Miscellaneous					146,704
State sources not restricted to specific programs					6,455,801
Total general revenues					<u>8,317,770</u>
Change in net position					(178,846)
Net position - beginning of year					<u>(9,554,196)</u>
Net position - end of year					<u>\$ (9,733,042)</u>

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2024

	<u>General</u>	<u>Special Aid</u>	<u>Capital Fund</u>	<u>School Food Service</u>	<u>Total Governmental Funds</u>
Assets					
Cash - unrestricted	\$ 1,724,252	\$ 63,364	\$ 207,491	\$ 134,308	\$ 2,129,415
Cash - restricted	136,912	-	-	-	136,912
Accounts receivable	230,997	-	-	27,820	258,817
State and federal aid receivable	237,099	576,768	-	-	813,867
Due from other funds	893,065	-	-	-	893,065
Inventories	-	-	-	1,590	1,590
Total assets	<u>\$ 3,222,325</u>	<u>\$ 640,132</u>	<u>\$ 207,491</u>	<u>\$ 163,718</u>	<u>\$ 4,233,666</u>
Liabilities					
Accrued liabilities	\$ 24,734	\$ -	\$ -	\$ 97	\$ 24,831
Due to other funds	-	515,000	378,065	-	893,065
Due to Teachers' Retirement System	229,822	-	-	-	229,822
Due to Employees' Retirement System	24,032	-	-	-	24,032
Total liabilities	<u>278,588</u>	<u>515,000</u>	<u>378,065</u>	<u>97</u>	<u>1,171,750</u>
Deferred inflows of resources					
Unearned revenue	<u>-</u>	<u>10,921</u>	<u>-</u>	<u>18,706</u>	<u>29,627</u>
Fund balance					
Nonspendable:					
Inventory	-	-	-	1,590	1,590
Restricted:					
Unemployment Insurance	100,488	-	-	-	100,488
Capital	14,519	-	-	-	14,519
Assigned:					
Unappropriated	-	114,211	-	143,300	257,511
Encumbrances	344,471	-	-	25	344,496
Appropriated	671,926	-	-	-	671,926
Unassigned	<u>1,812,333</u>	<u>-</u>	<u>(170,574)</u>	<u>-</u>	<u>1,641,759</u>
Total fund balance	<u>2,943,737</u>	<u>114,211</u>	<u>(170,574)</u>	<u>144,915</u>	<u>3,032,289</u>
Total liabilities and fund balance	<u>\$ 3,222,325</u>	<u>\$ 640,132</u>	<u>\$ 207,491</u>	<u>\$ 163,718</u>	<u>\$ 4,233,666</u>

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Reconciliation of Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2024

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Assets				
Cash - unrestricted	\$ 2,129,415	\$ -	\$ -	\$ 2,129,415
Cash - restricted	136,912	-	-	136,912
Accounts receivable	258,817	-	-	258,817
State and federal aid receivable	813,867	-	-	813,867
Due from other funds	893,065	-	(893,065)	-
Inventories	1,590	-	-	1,590
Right to use assets, net	-	108,822	-	108,822
Land, building, and equipment, net	-	4,231,073	-	4,231,073
Total assets	4,233,666	4,339,895	(893,065)	7,680,496
Deferred outflows of resources				
OPEB	-	3,316,453	-	3,316,453
Pensions	-	1,097,739	-	1,097,739
Total deferred outflows of resources	-	4,414,192	-	4,414,192
Total assets and deferred outflows of resources	\$ 4,233,666	\$ 8,754,087	\$ (893,065)	\$ 12,094,688
Liabilities				
Accrued liabilities	\$ 24,831	\$ -	\$ -	\$ 24,831
Due to other funds	893,065	-	(893,065)	-
Due to Teachers' Retirement System	229,822	-	-	229,822
Due to Employees' Retirement System	24,032	-	-	24,032
Bonds payable	-	605,000	-	605,000
Lease liability	-	111,610	-	111,610
Compensated absences	-	1,081,925	-	1,081,925
Net pension liability - proportionate share	-	332,120	-	332,120
Postemployment benefits	-	17,262,603	-	17,262,603
Total liabilities	1,171,750	19,393,258	(893,065)	19,671,943
Deferred inflows of resources				
Unearned revenue	29,627	-	-	29,627
OPEB	-	1,878,912	-	1,878,912
Pensions	-	247,248	-	247,248
Total deferred inflows of resources	29,627	2,126,160	-	2,155,787
Fund balance/net position				
Total fund balance/net position	3,032,289	(12,765,331)	-	(9,733,042)
Total liabilities, deferred inflows of resources, and fund balance/net position	\$ 4,233,666	\$ 8,754,087	\$ (893,065)	\$ 12,094,688

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Governmental Funds
Year Ended June 30, 2024

	<u>General</u>	<u>Special Aid</u>	<u>Capital Fund</u>	<u>School Food Service</u>	<u>Total Governmental Funds</u>
Revenues					
Real property taxes	\$ 1,552,717	\$ -	\$ -	\$ -	\$ 1,552,717
Other tax items	161,465	-	-	-	161,465
Use of money and property	1,033	-	-	50	1,083
State sources	6,455,801	71,269	-	67,676	6,594,746
Federal sources	-	725,175	-	175,375	900,550
Sales - school lunch	-	-	-	5,014	5,014
Miscellaneous	146,704	-	-	-	146,704
Total revenues	<u>8,317,720</u>	<u>796,444</u>	<u>-</u>	<u>248,115</u>	<u>9,362,279</u>
Expenditures					
General support	1,145,892	-	-	-	1,145,892
Instruction	3,631,402	701,371	269,320	-	4,602,093
Pupil transportation	398,972	-	-	-	398,972
Home and community services	76,820	-	-	-	76,820
Employee benefits	1,973,862	96,382	-	4,421	2,074,665
Debt service:					
Principal	291,309	-	-	-	291,309
Interest	33,066	-	-	-	33,066
School lunch program	-	-	-	185,545	185,545
Total expenditures	<u>7,551,323</u>	<u>797,753</u>	<u>269,320</u>	<u>189,966</u>	<u>8,808,362</u>
Excess of revenues over expenditures	<u>766,397</u>	<u>(1,309)</u>	<u>(269,320)</u>	<u>58,149</u>	<u>553,917</u>
Other financing sources and (uses)					
Operating transfers in	-	-	206,800	-	206,800
Operating transfers (out)	<u>(206,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,800)</u>
Total other sources (uses)	<u>(206,800)</u>	<u>-</u>	<u>206,800</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other sources	559,597	(1,309)	(62,520)	58,149	553,917
Fund balance - beginning of year	<u>2,384,140</u>	<u>115,520</u>	<u>(108,054)</u>	<u>86,766</u>	<u>2,478,372</u>
Fund balance - end of year	<u>\$ 2,943,737</u>	<u>\$ 114,211</u>	<u>\$ (170,574)</u>	<u>\$ 144,915</u>	<u>\$ 3,032,289</u>

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2024

	Total Governmental Funds	Long-term Revenues, Expenses	Capital Related Funds	Long-term Debt Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenues						
Real property taxes	\$ 1,552,717	\$ -	\$ -	-	\$ -	\$ 1,552,717
Other tax items	161,465	-	-	-	-	161,465
Use of money and property	1,083	-	-	-	-	1,083
State sources	6,594,746	-	-	-	-	6,594,746
Federal sources	900,550	-	-	-	-	900,550
Sales - school lunch	5,014	-	-	-	-	5,014
Miscellaneous	146,704	-	-	-	-	146,704
Total revenues	9,362,279	-	-	-	-	9,362,279
Expenditures/expenses						
General support	1,145,892	18,445	-	-	-	1,164,337
Instruction	4,602,093	166,001	(275,745)	-	-	4,492,349
Pupil transportation	398,972	86,123	(41,550)	-	-	443,545
Home and community service	76,820	-	-	-	-	76,820
Employee benefits	2,074,665	1,098,193	-	-	-	3,172,858
Debt services:						
Principal	291,309	-	-	(291,309)	-	-
Interest	33,066	-	-	-	-	33,066
School lunch program	185,545	-	(27,395)	-	-	158,150
Total expenditures/expenses	8,808,362	1,368,762	(344,690)	(291,309)	-	9,541,125
Excess (deficiency) of revenues over expenditures/expenses	553,917	(1,368,762)	344,690	291,309	-	(178,846)
Other sources and (uses)						
Operating transfers in	206,800	-	-	-	(206,800)	-
Operating transfers (out)	(206,800)	-	-	-	206,800	-
Total other sources (uses)	-	-	-	-	-	-
Net change for the year	\$ 553,917	\$ (1,368,762)	\$ 344,690	\$ 291,309	\$ -	\$ (178,846)

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2024

	Private Purpose Trusts	Custodial
Assets		
Cash	\$ 239,550	\$ 77,034
Total assets	<u>\$ 239,550</u>	<u>\$ 77,034</u>
Net position		
Restricted	\$ 239,550	\$ 77,034
Total net position	<u>\$ 239,550</u>	<u>\$ 77,034</u>

CROWN POINT CENTRAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2024

	Private Purpose Trusts	Custodial
Additions		
Extraclassroom receipts	\$ -	\$ 65,950
Hammond Library taxes collected	-	60,180
Investment earnings	3,395	-
Total additions	<u>3,395</u>	<u>126,130</u>
Deductions		
Scholarships and awards	3,895	-
Extraclassroom disbursements	-	69,094
Hammond Library taxes collected	-	60,180
Total deductions	<u>3,895</u>	<u>129,274</u>
Excess of revenues over expenditures	(500)	(3,144)
Net position - beginning of year	<u>240,050</u>	<u>80,178</u>
Net position - end of year	<u>\$ 239,550</u>	<u>\$ 77,034</u>

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Crown Point Central School District ("the District") provides K-12 public education to students living within its geographic borders.

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

a) Reporting Entity

The District is governed by the laws of the State of New York. The District is an independent entity governed by an elected Board of Education consisting of 6 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 Unit*. The financial reporting entity consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds

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

Public Library

The Hammond Library jointly shares the services of the District Treasurer and the District collects taxes and has title to real property used by the Library. The Library is an independent body whose Trustees are elected separately from the School District. Further review of GASB's requirements for component units indicate that the operations of the Library should not be reflected in the District's financial statements.

b) Joint Venture

The District is a component district in Clinton-Essex-Warren-Washington BOCES. A Board of Cooperative Educational Services (BOCES) is a voluntary, cooperative association of school districts in a geographical area that shares planning, services and programs that provide educational and support activities.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

b) Joint Venture (continued)

There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the District was billed \$192,788 for BOCES administrative and capital costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued \$0 of bond notes on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of \$470,000.

The District's share of BOCES aid amounted to \$509,953.

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

c) Basis of Presentation

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both government-wide and fund financial statements categorize primary activities as governmental. The District's General Fund, Special Aid Fund, Capital Fund, and School Food Service Fund activities are classified as governmental.

Government-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 Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

c) Basis of Presentation (continued)

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.

Fund Statements

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

Governmental 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, which are legally restricted to expenditure for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The special revenue funds classified as major are:

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

School Food Service Fund: Used to account for transactions of the lunch and breakfast programs.

Capital Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following fiduciary funds:

Fiduciary Fund: 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. The District has two types of fiduciary funds:

Private Purpose Trust Funds: These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. A scholarship is an example of a private-purpose trust fund. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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 an agent for various student groups or extraclassroom activity funds. The District also collects property taxes on behalf of the Hammond Library.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

d) Measurement Focus and Basis of Accounting

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

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

The 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

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

e) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on August 18, 2023. Taxes are collected during the period September 1, 2023 to November 7, 2023.

Uncollectable real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District not later than the following April 1.

f) Restricted Resources

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

g) Interfund Transactions

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

g) Interfund Transactions (continued)

Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset. Refer to Note 6 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

h) Estimates

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

i) Cash (and Cash Equivalents)/Investments

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

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

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

j) Accounts Receivable

Receivables are shown as gross. No allowance for uncollectible accounts has been provided since the District expects to collect the full amount.

k) Inventories

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. A portion of the fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

l) Right to Use Assets

Right to use assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease or, if not readily determinable, the District's estimated incremental borrowing rate. The right to use assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

m) Capital Assets

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. Land and construction-in-progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of general fixed assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	\$ 5,000	Straight line	40 years
Furniture and equipment	\$ 1,000	Straight line	5-10 years

Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recorded as expenditures in the year they are incurred.

n) Deferred Outflows 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 two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in 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. Also included in this item is the District's contribution to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The second item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effects of the net change in the actual and expected experience.

o) Deferred Inflows of Resources

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 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 three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS Systems) and differences during the measurement periods between the District's contributions and its proportion share of total contributions to the pension system not included in the pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of net changes of assumption or other inputs.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

o) Deferred Inflows of Resources(continued)

The third item is related to unearned revenue. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. The District reports unearned on its governmental funds balance sheet and Statement of Net Position as a deferral related to a future period.

p) Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

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

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

The liability for compensated absences 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 rate in effect at year-end.

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

q) Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with 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 District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

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

r) Short-term Debt

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

r) Short-term Debt (continued)

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

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

s) Accrued Liabilities and Long-term Obligations

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

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

t) Equity Classifications

District-wide statements:

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

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

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

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

Fund statements:

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

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory in the School Food Service Fund of \$1,590.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

t) Equity Classifications (continued)

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

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to 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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Capital Reserve

Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition is to be placed on the ballot are set forth in §3561 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.

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

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances reported in the General Fund amounted to \$344,471. Appropriated fund balance in the General Fund amounted to \$671,926. Any remaining fund balance in other funds is considered assigned. The Special Aid Fund reported assigned fund balance of \$114,211. The School Food Service Fund reported an assigned fund balance of \$144,915.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

t) Equity Classifications (continued)

As of June 30, 2024, the District's General Fund encumbrances were classified as follows:

General support	\$	1,922
Instruction		3,688
Pupil transportation		338,861
Total	\$	<u>344,471</u>

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

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

Net Position/Fund Balance

Net position flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to be reported 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 be reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

u) Implementation of New Accounting Standards

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the 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 Statement of Activities, compared with the current financial resources focus of the governmental funds.

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

Total fund 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 additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting on capital assets and long-term liabilities, including pensions and other post-employment benefits.

Explanation of differences between Governmental Fund Balance and District-wide Net Position

Ending fund balance reported on governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 3,032,289
Assets	
Long-term:	
Capital assets, net of related depreciation	4,231,073
Right to use asset, net of related amortization	108,822
Deferred outflows of resources:	
OPEB	3,316,453
Pensions	1,097,739
Long-term:	
Bonds payable	(605,000)
Leases liability	(111,610)
Compensated absences	(1,081,925)
Net pension liability proportionate share	(332,120)
Other post-employment benefits	(17,262,603)
Deferred inflows of resources:	
OPEB	(1,878,912)
Pensions	(247,248)
Ending net position reported in Statement of Position for governmental activities	\$ <u>(9,733,042)</u>

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements (continued)

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

i) Long-term revenue and expense differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Other post-employment benefits:

Other post-employment benefits differences occur as a result of changes in the District's OPEB liability and differences between the District's contributions and OPEB expenses.

v) Pension differences:

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements (continued)

Explanation of differences between the Governmental Funds Operating Statements and the District-wide Statement of Activities

Total revenues and other funding sources of governmental funds	\$ 9,362,279
Total revenues of governmental activities in the Statement of Activities	\$ 9,362,279
Total expenditures reported in governmental funds	\$ 8,808,362
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned were less than the amount used during the year.	(29,570)
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay	(344,690)
Current year depreciation	184,446
When the purchase of right to use leased assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statements of Activities, the cost of those right to use leased assets is allocated over term of the lease and reported as amortization expense.	
Current year amortization	86,123
Repayment of bond and capital lease principal is an expenditure in the governmental funds but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
Principal	(291,309)
The payment of other post-employment benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the annual OPEB cost exceeded the premiums paid.	991,832
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	135,931
Total expenses of governmental activities in the Statement of Activities	\$ 9,541,125

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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:

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

Appropriations are adopted at the program line-item level.

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

Budgets are established annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until 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 year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time as the liability is incurred or the commitment is paid.

Fund balance/net position

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue include using fund balance in future budgets to provide stability to the taxpayers in a fiscally responsible way.

The Capital Fund has a fund deficit at June 30, 2024 of \$(170,574). This will be liquidated through transfer from the General Fund in future years.

The District has a net position deficit of \$(9,733,042) at June 30, 2024. This a result of the other post-employment benefits being fully unfunded.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 4. Cash (and Cash Equivalents) – Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risk

Cash

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

Uncollateralized	-
Collateralized securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$ 2,799,250

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$136,912 within the governmental funds and \$316,584 in the fiduciary funds.

Deposits

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

Investments 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.

Credit Risk

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

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 4. Cash (and Cash Equivalents) – Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risk (continued)

Custodial Credit Risk

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

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

Note 5. Receivables

Receivables at year-end for individual funds are as follows:

Description	General	Special Aid	School Food Service	Total
Accounts receivable	\$ 230,997	\$ -	\$ 27,820	\$ 258,817
State and Federal aid	237,099	576,768	-	813,867
Total	\$ 468,096	\$ 576,768	\$ 27,820	\$ 1,072,684

District management has deemed the amounts to be fully collectible.

Note 6. Interfund Balances and Activity

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Interfund balances and transactions are as follows:

Fund	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 893,065	\$ -	\$ -	\$ 206,800
School Food Service Fund	-	-	-	-
Special Aid Fund	-	515,000	-	-
Capital Fund	-	378,065	206,800	-
Total	\$ 893,065	\$ 893,065	\$ 206,800	\$ 206,800

Transfer from	Transfer to	Amount	Purpose
General Fund	Capital projects fund	\$ 206,800	Fund capital expenditures

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 7. Capital Assets

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

	6/30/23 Balance	Additions	Retirements Reclassify	6/30/24 Balance
Capital assets not being depreciated:				
Land	\$ 1,400	\$ -	\$ -	\$ 1,400
Construction in progress	15,509	269,320	-	284,829
Total	<u>16,909</u>	<u>269,320</u>	<u>-</u>	<u>286,229</u>
Capital assets being depreciated:				
Buildings and improvements	7,309,420	-	-	7,309,420
Furniture and equipment	942,714	75,370	-	1,018,084
Total	<u>8,252,134</u>	<u>75,370</u>	<u>-</u>	<u>8,327,504</u>
Less accumulated depreciation:				
Buildings and improvements	3,470,985	135,655	-	3,606,640
Furniture and equipment	727,229	48,791	-	776,020
Total	<u>4,198,214</u>	<u>184,446</u>	<u>-</u>	<u>4,382,660</u>
Total capital assets – net	<u>\$ 4,070,829</u>	<u>\$ 160,244</u>	<u>\$ -</u>	<u>\$ 4,231,073</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 18,445
Instruction	166,001
	<u>\$ 184,446</u>

Note 8. Right to Use Assets

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

	6/30/23 Balance	Additions	Reductions	6/30/24 Balance
Right to use assets:				
Leased vehicles	\$ 430,613	\$ -	\$ (163,695)	\$ 266,918
Total	<u>430,613</u>	<u>-</u>	<u>(163,695)</u>	<u>266,918</u>
Less accumulated amortization:				
Leased vehicles	235,668	86,123	(163,695)	158,096
Total	<u>235,668</u>	<u>86,123</u>	<u>(163,695)</u>	<u>159,096</u>
Total right to use assets - net	<u>\$ 194,945</u>	<u>\$ (86,123)</u>	<u>\$ -</u>	<u>\$ 108,822</u>

Amortization expense of \$86,123 was charged to the pupil transportation functions.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9. Indebtedness

Long-term debt

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

Serial bonds

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

Long-term liability balances and activity for the year ended June 30, 2024 are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Serial bonds	\$ 810,000	\$ -	\$ 205,000	\$ 605,000
Other liabilities:				
Lease liability	197,919	-	86,309	111,610
Compensated absences	1,111,495	-	29,570	1,081,925
Post-employment benefits	15,027,923	2,234,680	-	17,262,603
Net pension liability	500,280	-	168,160	332,120
	<u>\$ 17,647,617</u>	<u>\$ 2,234,680</u>	<u>\$ 489,039</u>	<u>\$ 19,393,258</u>

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

General obligation debt is comprised of the following:

Description of Issue	Issue Date	Maturity	Interest Rate	Original Amount	Balance
Serial Bond – Building	2010	2025	3.50%	\$ 1,540,000	\$ 135,000
Serial Bond – BOCES Project	2022	2030	3.50%	613,500	470,000
					605,000
Less current portion					(210,000)
Long-term portion					<u>\$ 395,000</u>

The following is a summary of maturing debt service requirements:

Year ended June 30	Principal	Interest	Total
2025	\$ 210,000	\$ 19,226	\$ 229,226
2026	75,000	14,238	89,238
2027	75,000	11,613	86,613
2028	80,000	8,988	88,988
2029	80,000	6,188	86,188
2030	85,000	3,188	88,188
	<u>\$ 605,000</u>	<u>\$ 63,441</u>	<u>\$ 668,441</u>

Interest paid on long-term debt for the year ended June 30, 2024 was \$26,488.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 10. Leases

The School District has entered into various operating lease agreements for the purpose of the right to use tangible assets, which consists of buses. The initial terms for these leases vary dependent on the terms and conditions of the lease. For accounting purposes, the right to use lease liability is reported at the present value of future minimum lease payments.

Principal and interest expense paid on the District's lease liability amounted to \$86,309 and \$6,578, respectively, for the year ended June 30, 2024

Lease liabilities are comprised of the following:

Description of Issue	Issue Date	Maturity	Interest Rate	Original Amount	Balance
Bus 70	2020	2024	2.60%	\$ 84,540	\$ 17,548
Bus 71	2021	2025	3.00%	87,652	35,228
Bus 72	2023	2027	94,816	94,816	58,834
					111,610
Less current portion					(53,903)
Long-term portion				\$	\$ 57,707

The following is a summary of maturing lease liabilities:

Year ended June 30	Principal	Interest	Total
2025	\$ 53,903	\$ 4,045	\$ 57,948
2026	37,418	2,482	39,900
2027	20,289	710	20,999
	\$ 111,610	\$ 7,237	\$ 118,847

Note 11. Pension Plans

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems)

Plan Description and Benefits Provided

Provisions and administration:

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing multiple employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New Your 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 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 NYSTRS, 10 Corporate Woods Drive, Albany, New York, 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 11. Pension Plans (continued)

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in the 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 provision 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 by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The Systems are noncontributory except for the employees who joined after to July 27, 1976, who can contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 2010 who generally contribute 3% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarial 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.

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

June 30		ERS		TRS
2024	\$	64,897	\$	202,344
2023		53,386		189,425
2022		75,793		157,330

Pension 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 System in reports provided to the District.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 11. Pension Plans (continued)

	ERS	TRS
Actuarial valuation date	4/1/23	6/30/22
Net pension asset/(liability)	\$ (210,910)	\$ (121,758)
District's portion of the Plan's total net pension asset/(liability)	0.0014287%	0.010647%
Change in proportion since prior Measurement date	80,548	92,388

For the year ended June 30, 2024 the District's recognized pension expense of \$86,059 for ERS and \$348,642 for TRS. At June 30, 2024, the District's reported deferred outflows of 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	\$ 67,758	\$ 259,231	\$ 5,736	\$ 730
Changes of assumptions	79,533	262,142	-	57,132
Net difference between projected and actual earnings on pension plan investments	-	62,240	102,761	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	22,028	74,549	22,431	58,458
District's contributions subsequent to the measurement date	24,032	210,226	-	-
Total	\$ 193,351	904,388	130,928	116,320

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2024	\$ -	\$ 55,469
2025	(44,447)	(56,962)
2026	37,903	498,557
2027	64,431	36,429
2028	(19,496)	24,613
Thereafter	-	19,709

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 11. Pension Plans (continued)

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2023	June 30, 2023
Actuarial valuation date	April 1, 2022	June 30, 2022
Investment rate of return	5.90%	6.95%
Salary scale	4.40%	5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 Systems Experience
Inflation rate	2.90%	2.40%
Cost of living adjustment	1.50%	1.30%

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

For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2023, applied on a generational basis.

For ERS, the actuarial assumption used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

For TRS, the demographic actuarial assumptions and salary scale are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to 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.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 11. Pension Plans (continued)

Best estimates of the arithmetic real rates for each major asset class included in the target asset allocation are summarized as follows:

ERS	Target allocation	Long-term expected real rate of return
Asset type		
Domestic equity	32.0%	4.00%
International equity	15.0	6.65
Private equity	10.0	7.25
Real estate	9.0	4.60
Opportunistic return strategies	3.0	5.25
Credit	4.0	5.40
Real assets	3.0	5.79
Fixed income	23.0	1.50
Cash	1.0	0.25
	<u>100.0%</u>	

Real rates of return are net of the long-term inflation assumption of 2.90%.

TRS	Target allocation	Long-term expected real rate of return
Asset type		
Domestic equity	33.0%	6.8%
International equity	15.0	7.6
Global Equity	4.0	7.2
Real estate equity	11.0	6.3
Private equity	9.0	10.1
Domestic fixed income securities	16.0	2.2
Global bonds	1.0	1.6
Private Debt	2.0	6.0
Real Estate Debt	6.0	3.2
High yield bonds	2.0	4.4
Cash	1.0	0.3
	<u>100.0%</u>	

Real rates of return are net of the long-term inflation assumption of 2.40%.

Discount Rate

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 11. Pension Plans (continued)

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

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

ERS	1% Decrease (4.90%)	Current discount rate (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (661,401)	\$ (210,362)	\$ 166,348
TRS	1% Decrease (5.95%)	Current discount rate (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (1,854,438)	\$ (121,756)	\$ 1,335,501

Change of Assumptions

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

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset (liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2024 is \$86,059 for ERS and \$348,642 for TRS.

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Employers' total pension liability	\$ 240,696,851	\$ 138,365,122
Fiduciary net position	225,972,801	137,221,537
Employers' net pension liability (asset)	\$ 14,724,050	\$ 1,143,585
Ratio of fiduciary net position to the Employers' total pension liability	93.9%	99.2%

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 11. Pension Plans (continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer 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 \$24,032.

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 \$229,822.

Note 12. Post-Employment Benefits

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 single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy - The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. 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.

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

Employee 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	39
Inactive employees entitled to but not yet receiving benefits payments	-
Active employees	46
	<hr/>
	85

Net OPEB liability

The District's total OPEB liability of \$17,262,603 was measured as July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023.

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 12. Post-Employment Benefits (continued)

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

Inflation	2.7%
Salary Increases	3.5%
Discount Rate	3.65%
Healthcare Cost Trend Rates	6.80% for 2025, decreasing each year to an ultimate rate of 4.14% for 2094 and later years
Retirees' Share of Benefit-Related Cost	All current and future retirees contribute 50% of the medical plan premium for individual or family coverage, with the District assuming the remaining balance. Surviving Spouses may continue coverage at 50% of the individual premium cost.

Mortality rates for active employees were based on the PUB-2010 Mortality Table for employees, sex distinct, job category specific, headcount weighted and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Mortality rates for retirees were based on the PUB-2010 Mortality Table for employees, sex distinct, job category specific, headcount weighted and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Retirement participation rate assumed that 100% of eligible employees will elect medical coverage at retirement age, and 80% of active members' spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

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

The discount rate was based on Bond Buyer Weekly 20 - Bond Go Index.

Changes in the Total OPEB Liability

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

Balance at July 1, 2022	\$ 15,027,923
<u>Changes for the Year-</u>	
Service cost	456,971
Interest cost	541,694
Changes of benefit terms	-
Differences between expected and actual experience	1,333,110
Changes in assumptions or other inputs	268,519
Benefits payments	(365,614)
Net changes	2,234,680
Balance at July 1, 2023	\$ 17,262,603

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 12. Post-Employment Benefits (continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 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 or 1 percentage point higher than the current discount rate:

	1% Decrease (2.65%)	Current discount rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 20,389,910	\$ 17,262,603	\$ 14,771,976

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 14,463,429	\$ 17,262,603	\$ 20,893,615

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 \$1,408,632.

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	\$ 1,414,369	\$ 492,691
Changes of assumptions or other inputs	1,485,284	1,386,221
Employer contribution subsequent to the measurement date (Expected employer contribution including implicit subsidy)	416,800	-
Total	\$ 3,316,453	\$ 1,878,912

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 12. Post-Employment Benefits (continued)

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

<u>Fiscal year ending June 30</u>	<u>Amount</u>
2025	\$ 542,503
2026	338,761
2027	(84,431)
2028	27,219
2029	196,689
2030 and thereafter	-

Note 13. Unrestricted Net Position

Unrestricted net position in the governmental activities consists of the following at June 30, 2024:

Designated for subsequent year's expenditures	\$ 671,926
Reserve for encumbrances	344,471
Unreserved	<u>(14,957,731)</u>
Total unrestricted net position	\$ <u>(13,941,334)</u>

Note 14. Risk Management

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

Note 15. Commitments and Contingencies

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington BOCES and its component Districts. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made.

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 16. Subsequent Events

The District has evaluated events and transactions that occurred between June 30, 2024 and September 6, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

CROWN POINT CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in
Fund Balance - Budget and Actual - General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
Revenues					
Local sources					
Real property taxes	\$ 1,532,795	\$ 1,532,795	\$ 1,552,717	\$ -	\$ 19,922
Other tax items	175,000	175,000	161,465	-	(13,535)
Use of money and property	500	500	1,033	-	533
Miscellaneous	69,500	69,500	146,704	-	77,204
Total local sources	1,777,795	1,777,795	1,861,919	-	84,124
State sources	6,662,006	6,662,006	6,455,801	-	(206,205)
Total revenues	<u>8,439,801</u>	<u>8,439,801</u>	<u>8,317,720</u>	<u>-</u>	<u>(122,081)</u>
Expenditures					
General support					
Board of education	19,459	21,084	19,822	-	1,262
Central administration	134,732	134,732	132,292	-	2,440
Finance	100,680	112,154	109,377	-	2,777
Staff	11,500	4,522	2,955	-	1,567
Central services	662,030	785,276	646,722	1,922	136,632
Special items	250,074	240,166	234,724	-	5,442
Total general support	1,178,475	1,297,934	1,145,892	1,922	150,120
Instruction					
Administration and improvement	132,134	110,707	88,407	-	22,300
Teaching - regular school	1,561,948	1,411,700	1,300,698	3,688	107,314
Programs for handicapped children	1,603,393	1,860,796	1,822,490	-	38,306
Instructional media	35,864	61,564	40,552	-	21,012
Pupil services	357,004	439,291	379,255	-	60,036
Total instruction	3,690,343	3,884,058	3,631,402	3,688	248,968
Pupil transportation	782,329	818,997	398,972	338,861	81,164
Home and community services	80,725	115,865	76,820	-	39,045
Employee benefits	2,463,635	2,138,893	1,973,862	-	165,031
Debt service:					
Principal	327,619	301,220	291,309	-	9,911
Interest	26,488	33,870	33,066	-	804
Other financing uses					
Transfers to other funds	206,800	206,800	206,800	-	-
Total expenditures and other financing uses	<u>8,756,414</u>	<u>8,797,637</u>	<u>7,758,123</u>	<u>344,471</u>	<u>695,043</u>
Excess of expenditures and other financing uses over revenues	<u>\$ (316,613)</u>	<u>\$ (357,836)</u>	<u>\$ 559,597</u>	<u>\$ (344,471)</u>	<u>\$ 572,962</u>

See Independent Auditor's Report.

CROWN POINT CENTRAL SCHOOL DISTRICT
Schedule of Funding Progress for the Retiree Health Plan
Year Ended June 30, 2024

Measurement date	2024	2023	2022	2021	2020	2019	2018
	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total OPEB liability							
Service cost	\$ 456,971	\$ 601,350	\$ 647,063	\$ 447,402	\$ 363,592	\$ 425,059	\$ 427,882
Interest	541,694	352,908	385,551	462,547	419,970	389,971	377,342
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the total OPEB liability	1,333,110	-	(1,024,375)	-	1,585,853	-	90,504
Changes of assumption or other inputs	268,519	(1,648,099)	(592,950)	3,424,173	174,545	(502,857)	311,568
Benefit payments	<u>(365,614)</u>	<u>(335,797)</u>	<u>(312,779)</u>	<u>(294,580)</u>	<u>(233,598)</u>	<u>(228,968)</u>	<u>(237,801)</u>
Net change in total OPEB liability	2,234,680	(1,029,638)	(897,490)	4,039,542	2,310,362	83,205	969,495
Total OPEB liability - beginning	<u>15,027,923</u>	<u>16,057,561</u>	<u>16,955,051</u>	<u>12,915,509</u>	<u>10,605,147</u>	<u>10,521,942</u>	<u>9,552,447</u>
Total OPEB liability - ending	<u>\$ 17,262,603</u>	<u>\$ 15,027,923</u>	<u>\$ 16,057,561</u>	<u>\$ 16,955,051</u>	<u>\$ 12,915,509</u>	<u>\$ 10,605,147</u>	<u>\$ 10,521,942</u>
Covered payroll	<u>\$ 2,944,147</u>	<u>\$ 2,144,890</u>	<u>\$ 2,481,105</u>	<u>\$ 2,932,539</u>	<u>\$ 2,974,291</u>	<u>\$ 2,668,595</u>	<u>\$ 2,440,000</u>
Total OPEB liability as a percentage of covered payroll	586%	701%	647%	578%	434%	397%	431%

See Independent Auditor's Report.

CROWN POINT CENTRAL SCHOOL DISTRICT
Schedule of Proportionate Share of the Net Pension Asset/(Liability)
Year Ended June 30, 2024

Teachers' Retirement System											
Measurement date	2024 6/30/2023	2023 6/30/2022	2022 6/30/2021	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017	2017 6/30/2016	2016 6/30/2015	2015 6/30/2014	
Proportion of the net pension asset or liability	0.010647%	0.010911%	0.009726%	0.011490%	0.012533%	0.012222%	0.012174%	0.011922%	0.011152%	0.011609%	
Proportionate share of the net pension asset (liability)	\$ (121,758)	\$ (209,370)	\$ 1,685,498	\$ (317,502)	\$ 325,602	\$ 221,000	\$ 92,533	\$ (127,685)	\$ 1,158,341	\$ 1,293,208	
Covered-employee payroll	\$ 2,153,950	\$ 1,969,111	\$ 1,934,394	\$ 1,665,888	\$ 1,950,231	\$ 2,091,924	\$ 1,991,249	\$ 1,936,088	\$ 1,839,846	\$ 1,746,801	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.7%	10.6%	87.1%	19.1%	16.7%	10.6%	4.6%	6.6%	63.0%	74.0%	
Plan fiduciary net position as a percent of the total pension liability (asset)	99.2%	98.7%	113.3%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%	

Employees' Retirement System

Measurement date	2024 3/31/2024	2023 3/31/2023	2022 3/31/2022	2021 3/31/2021	2020 3/31/2020	2019 3/31/2019	2018 3/31/2018	2017 3/31/2017	2016 3/31/2016	2015 3/31/2015	
Proportion of the net pension asset or liability	0.0014287%	0.0013566%	0.0014632%	0.0018636%	0.0020298%	0.0019076%	0.0019223%	0.0016484%	0.0015961%	0.0018008%	
Proportionate share of the net pension asset (liability)	\$ (210,362)	\$ (290,910)	\$ 119,614	\$ (1,856)	\$ (537,495)	\$ (135,160)	\$ (6,241)	\$ (154,892)	\$ (256,174)	\$ (60,836)	
Covered-employee payroll	\$ 562,347	\$ 503,933	\$ 454,443	\$ 465,959	\$ 519,222	\$ 489,380	\$ 506,086	\$ 465,930	\$ 431,061	\$ 417,771	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.4%	57.7%	26.3%	0.4%	103.5%	27.6%	12.3%	33.2%	59.4%	14.6%	
Plan fiduciary net position as a percent of the total pension liability (asset)	93.9%	90.8%	103.5%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	98.0%	

See Independent Auditor's Report.

CROWN POINT CENTRAL SCHOOL DISTRICT
Schedule of District's Contributions
June 30, 2024

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions \$	202,344	\$ 189,425	\$ 189,571	\$ 172,790	\$ 222,162	\$ 195,096	\$ 226,096	\$ 284,545	\$ 293,660	\$ 278,668
Contributions in relation to the contractually required contribution	\$ 202,344	\$ 189,425	\$ 189,571	\$ 172,790	\$ 222,162	\$ 195,096	\$ 226,096	\$ 284,545	\$ 293,660	\$ 278,668
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,153,950	\$ 1,969,111	\$ 1,934,394	\$ 1,665,888	\$ 1,950,231	\$ 2,091,924	\$ 1,991,249	\$ 1,936,088	\$ 1,839,846	\$ 1,746,801
Contributions as a percentage of covered-employee payroll	9.4%	9.6%	9.8%	10.4%	11.4%	9.3%	11.4%	13.7%	16.0%	16.0%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions \$	64,897	\$ 53,386	\$ 75,793	\$ 77,031	\$ 76,062	\$ 80,068	\$ 74,133	\$ 71,781	\$ 79,193	\$ 80,070
Contributions in relation to the contractually required contribution	\$ 64,897	\$ 53,386	\$ 75,793	\$ 77,031	\$ 76,062	\$ 80,068	\$ 74,133	\$ 71,781	\$ 79,193	\$ 80,070
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 562,347	\$ 503,933	\$ 454,443	\$ 465,959	\$ 519,222	\$ 489,380	\$ 506,086	\$ 465,930	\$ 431,061	\$ 41,777
Contributions as a percentage of covered-employee payroll	11.5%	10.6%	16.7%	16.5%	14.6%	16.4%	14.6%	15.4%	18.4%	19.2%

See Independent Auditor's Report.

CROWN POINT CENTRAL SCHOOL DISTRICT
General Fund - Schedule of Change from Adopted Budget to Final Budget
and Section 1318 of the Real Property Tax Law Limit Calculation
Year Ended June 30, 2024

Change from adopted budget to final budget

Adopted budget	\$ 8,756,414
Additions:	
Prior year's encumbrances	<u>41,223</u>
Revised budget	\$ <u>8,797,637</u>

Section 1318 of the Real Property Tax Law Limit Calculation

2024-2025 expenditure budget	<u>\$ 9,621,957</u>
Maximum allowed (4% of 2024-2025 budget)	<u>\$ 384,878</u>
Unrestricted fund balance:	
Assigned fund balance	\$ 1,016,397
Unassigned fund balance	<u>1,812,333</u>
Total unrestricted fund balance	<u>2,828,730</u>
Less:	
Appropriated fund balance	671,926
Encumbrances included in committed and assigned fund balance	<u>344,471</u>
Total adjustments	<u>1,016,397</u>
General Fund - fund balance subject to section 1318 of the real property tax law	<u>\$ 1,812,333</u>
Actual percentage	18.8%

See Independent Auditor's Report

CROWN POINT CENTRAL SCHOOL DISTRICT
Net Investment in Capital Assets
Year Ended June 30, 2024

Capital assets and right to use assets, net	\$ 4,339,895
Deduct:	
Short-term portion of bonds payable	135,000
Long-term portion of bonds payable	-
Short-term portion of lease liability	53,903
Long-term portion of lease liability	<u>57,707</u>
Net investment in capital assets	\$ <u>4,093,285</u>

See Independent Auditor's Report

Independent Auditor's Report

To the Board of Education
Extraclassroom Activity Funds of
Crown Point Central School District
Crown Point, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets, liabilities, and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of Crown Point Central School District as of and for the year ended June 30, 2024.

In our opinion, the financial statements referred to above present fairly, in all material respects the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of Crown Point Central School District, as of June 30, 2024, and its receipts, disbursements, and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of this report. We are required to be independent of Crown Point Central School District, and to meet our 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 opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Extraclassroom Activity Funds of Crown Point 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, 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 Extraclassroom Activity Funds of Crown Point 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 Extraclassroom Activity Funds of the Crown Point 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.

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
September 6, 2024

CROWN POINT CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Funds
Statement of Assets, Liabilities, and Fund Balance - Cash Basis
Year Ended June 30, 2024

Assets	
Cash	\$ 77,034
Total assets	<u><u>\$ 77,034</u></u>
 Net position	
Extraclassroom activity balances	\$ 77,034
Total net position	<u><u>\$ 77,034</u></u>

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

CROWN POINT CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Funds
Statement of Receipts, Disbursements, and Ending Balances - Cash Basis
Year Ended June 30, 2024

	July 1 2023	Total Receipts	Total Payments	June 30 2024
Senior Class	\$ 7,757	\$ 9,343	\$ 17,100	\$ -
Junior Class	1,073	2,322	162	3,233
Sophomore Class	2,004	3,823	2,152	3,675
Freshman Class	-	1,577	97	1,480
Student Council	323	269	302	290
Varsity Club	7,229	3,686	5,485	5,430
FCCLA	2,409	13,365	13,848	1,926
Yearbook	884	3,218	1,969	2,133
Drama Club	1,365	1,431	876	1,920
Band/Chorus	549	213	21	741
Honor Society	1,432	3,183	3,500	1,115
SADD	3,173	3,982	2,610	4,545
Technology	1,557	-	3	1,554
FES	64	3,261	63	3,262
Back Pack Club	41,829	14,630	17,106	39,353
6th Grade	2,796	1,508	1,852	2,452
Spanish	5,736	138	1,949	3,925
Totals	\$ 80,180	\$ 65,949	\$ 69,095	\$ 77,034

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

CROWN POINT CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

As Crown Point Central School District, through its Board of Education, has oversight responsibility over the Extraclassroom Activity Funds, such funds are considered a component unit of the District. Accordingly, such transactions are blended with the other trust funds of the District in its basic financial statements under the Custodial Fund.

The books and records of Crown Point 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 are recognized when cash is disbursed.

Note 2. Subsequent Events

The District has evaluated events and transactions that occurred between June 30, 2024 and September 6, 2024 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

FORM OF BOND COUNSEL'S OPINION

July 10, 2025

Crown Point Central School District
2758 Main Street
Crown Point, New York 12928

Re: Crown Point Central School District
Essex County, New York
\$5,760,980 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$5,760,980 Bond Anticipation Notes, 2025 (the "Notes") of Crown Point Central School District, County of Essex, State of New York (the "District"). The Notes are dated July 10, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District dated August 22, 2023 and a Certificate of Determination dated on or before July 10, 2025 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

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

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

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

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

Very truly yours,

TRESPASZ LAW OFFICES, LLP