PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

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

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

COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

ST. LAWRENCE COUNTY, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 197108

$6,882,841 Bond Anticipation Notes, 2025 (Renewals)

(referred to herein as the "Notes")

Dated: July 16, 2025 **Due: June 25, 2026**

The Notes are general obligations of the Colton-Pierrepont Central School District, St. Lawrence 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 $2,841. 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 16, 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.

COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

ST. LAWRENCE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

CINDY MCLEAN
President

CHAD VANBROCKLIN
Vice President

KAREN PECK
CLINT PERRIGO
ALEX BONNO
ANGELA VILLENEUVE-BRONSON
LORRAINE GOWING

* * * * * * * * *

JAMES NEE
Superintendent

NICKOLAS BROUILLETTE
Business Administrator

JENNIFER FLEURY
School District Clerk

ANDREW W. SILVER, ESQ.
Local Attorney

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

TRESPASZ LAW OFFICES, LLP
Bond Counsel

No person has been authorized by Colton-Pierrepont 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 Colton-Pierrepont Central School District.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

ST. LAWRENCE COUNTY, NEW YORK

Relating To

$6,882,841 Bond Anticipation Notes, 2025 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the Colton-Pierrepont Central School District, St. Lawrence County, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $6,882,841 principal amount of Bond Anticipation Notes, 2025 (Renewals) (the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes will be dated July 16, 2025 and will mature June 25, 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 $2,841. 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 16, 2023 authorizing a capital improvement project at a cost not to exceed $12,000,000, to expend $5,117,159 from the District Capital Reserve Fund and for the balance, the issuance and sale of serial bonds and notes in an amount not to exceed $6,882,841.

On December 12, 2024 the District issued $6,882,841 bond anticipation notes to mature July 17, 2025, representing the initial borrowing against the aforementioned authorization. The proceeds of the Notes will fully redeem and renew the outstanding bond anticipation notes that mature on July 17, 2025.

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 $2,841. 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 School District is located in the picturesque foothills of the Adirondack Mountains, and is centered in the small community of Colton, New York. Portions of the District are located in the Towns of Colton, Pierrepont and Parishville.

Home of the Higley Flow State Park, the community surrounds the beautiful Racquette River and offers a wealth of year-round outdoor recreational activities to its residents and many summer visitors. Outdoor enthusiasts enjoy opportunities including area golf courses, skiing at Titus Mountain in Malone, and Lake Placid's White Face Mountain, snowmobile trails, as well as cross-country ski trails - some within the Higley Flow State Park. Likewise, the area includes some of the finest hunting, fishing, boating, and horseback riding opportunities in New York State. Traveling north, Colton provides a gateway to the serene and colorful Seaway Valley and St. Lawrence Seaway.

Four nationally recognized educational institutions of higher learning are within a 15-mile radius of Colton; St Lawrence University, SUNY College of Technology at Canton, Clarkson University, and SUNY College at Potsdam, home of The Crane School of Music. The close proximity of these colleges and universities provides our students with the opportunity to participate in a number of college/university sponsored programs and activities, i.e., the college enrichment program, talented juniors program, summer sports, math and computer camps, and high school art exhibits. The universities and colleges also offer a variety of cultural activities which include nationally acclaimed guest lecturers, musicians, artists and their exhibits, and a variety of sporting events.

The District is bisected by N.Y. Routes 56 and 11 in a north-south direction and 68 in an east-west direction. District residents find employment opportunities in various fields in neighboring Canton, Potsdam and Massena and at the higher education institutions. This area of the State is known for its large dairy farms and dairy products. St. Lawrence County ranks fourteenth in the nation's counties in the value of dairy products sold and has more milk cows and cattle than any other county in the State. Maple syrup is a major product of the area. The largest talc mines in the world and the largest zinc mines in North America are located in St. Lawrence County. Talc mines, timber and paper production firms are located within the School District.

Electric and gas are provided by Niagara Mohawk Power Corporation which maintains dams and power houses within the District. Police protection is furnished by the St. Lawrence County Sheriff's Department with headquarters at Canton and the New York State Police with sub-stations located at Massena and mid-way between Potsdam and Canton. Fire protection is provided by local volunteer Fire Departments.

Source: District Officials

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Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Colton	$ 26,986	$ 34,060	$ 39,606	$ 67,917	$ 69,632	$ 76,765
Parishville	22,400	32,226	38,913	45,625	69,922	104,952
Pierrepont	24,109	32,585	37,060	57,788	81,250	95,117
County of:						
St. Lawrence	20,143	26,676	31,574	50,384	66,843	80,918
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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

Population

The total population of the District is estimated to be 2,356. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates).

Unemployment Rate Statistics

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

	Annual Average						
	2018	2019	2020	2021	2022	2023	2024
St. Lawrence County	5.6%	5.4%	7.9%	5.1%	4.1%	4.3%	4.6%
New York State	4.1	3.8	9.9	6.9	4.3	4.1	4.3

	2025 Monthly Figures					
	Jan	Feb	Mar	Apr	May	Jun
St. Lawrence County	5.7%	5.6%	5.2%	4.2%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

Note: Unemployment rates for the months of May and June 2025 are unavailable as of the date of this Official Statement.

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

Form of School Government

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

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Savings Accounts or Money Market Accounts of designated banks; (2) Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State; (3) Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; (4) Obligations of New York State; (5) Obligations of the United States Government (U.S. Treasury Bills and Notes); and (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

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 adopted by the qualified voters on May 21, 2024 by a vote of 129 to 34. The budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.31% which was equal to the District tax levy limit of 3.31%

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 160 to 29. 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 3.27% which was equal to the District tax levy limit of 3.27%.

State Aid

The District receives financial assistance from the State. In its proposed budget for the 2025-2026 fiscal year, approximately 33.53% 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 50.3% 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 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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

State Aid Litigation

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

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

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

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

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

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

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.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 11,061,052	$ 3,279,705	29.65%
2020-2021	10,895,613	2,786,969	25.58
2021-2022	11,231,372	3,108,699	27.68
2022-2023	12,203,161	3,584,770	29.37
2023-2024	12,949,825	4,169,146	32.19
2024-2025 (Budgeted)	12,796,728	4,040,968	31.58
2025-2026 (Budgeted)	13,629,229	4,569,466	33.53

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

Name	Grades	Capacity	Year(s) Built
Colton-Pierrepont Central School	K-12	600	1949, '56, '65, '89, '05, '19

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	361	2025-2026	370
2021-2022	391	2026-2027	370
2022-2023	352	2027-2028	370
2023-2024	385	2028-2029	370
2024-2025	370	2029-2030	370

Source: District officials.

Employees

The District employs a total of approximately 80 full-time employees and 4 part-time employee. Employees are represented by various unions as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
22	Civil Service Employees' Association (CSEA)	June 30, 2028
52	Colton-Pierrepont School Related Personnel (NYSUT)	June 30, 2026

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally 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:

Fiscal Year	ERS	TRS
2019-2020	$ 119,309	$ 292,618
2020-2021	139,905	303,665
2021-2022	150,511	330,309
2022-2023	132,453	348,349
2023-2024	127,995	338,504
2024-2025 (Budgeted)	168,891	380,327
2025-2026 (Budgeted)	166,880	374,663

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. During the 2019-2020 fiscal year the District offered the Colton-Pierrepont Faculty Association a retirement incentive. The incentive was utilized by 6 staff members resulting in a net savings for the District of $260,545 in the 2020-2021 fiscal year. No staff members utilized the incentive for fiscal year 2021-2025. The District does not currently have any early retirement incentive programs.

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

A chart of average ERS and TRS rates as a percent of payroll (2021 to 2026) is shown below:

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

<u>Retirement System Assumptions</u>. The investment of monies and assumptions underlying same, of the Retirement Systems covering the School District's employees is not subject to the direction of the School 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 School District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

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

Other Post-Employment Benefits

<u>Healthcare Benefits</u>. 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.

<u>OPEB</u>. 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.

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

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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 fiscal year, by source.

Balance beginning at:	June 30, 2022	June 30, 2023
	$ 44,344,606	$ 39,482,239
Changes for the year:		
Service cost	1,810,747	1,177,945
Interest	974,380	1,416,081
Changes in benefit terms	-	(514,864)
Differences between expected and actual experience	-	(2,114,087)
Changes in assumptions or other inputs	(6,400,318)	419,115
Benefit payments	(1,247,176)	(1,315,782)
Net Changes	$ (4,862,367)	$ (931,592)
Balance ending at:	June 30, 2023	June 30, 2024
	$ 39,482,239	**$ 38,550,647**

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

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

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

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

Other Information

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

The District is in compliance with the estoppel procedure for the Notes as recommended by Bond Counsel.

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

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

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

Financial Statements

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

There are no State Comptroller audits of the District that are currently in progress or pending release.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	3.3
2023	No Designation	20.0
2022	Susceptible	33.3

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

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

TAX INFORMATION

Taxable Assessed Valuation

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Colton	$ 364,067,798	$ 365,787,118	$ 367,679,491	$ 371,174,263	$ 375,231,271
Parishville	2,721,701	2,724,192	2,739,841	2,743,759	2,748,479
Pierrepont	65,374,257	65,459,047	66,250,044	66,647,912	67,380,776
Total Assessed Values	$ 432,163,756	$ 433,970,357	$ 436,669,376	$ 440,565,934	$ 445,360,526
State Equalization Rates					
Towns of:					
Colton	100.00%	100.00%	96.00%	90.00%	87.00%
Parishville	6.09%	6.09%	5.60%	5.30%	5.10%
Pierrepont	90.00%	88.00%	79.50%	75.00%	68.00%
Total Taxable Full Valuation	$ 481,397,175	$ 484,904,615	$ 515,258,591	$ 553,048,768	$ 584,281,433

Tax Rates per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Colton	$ 16.02	$ 16.17	$ 16.26	$ 16.61	$ 16.72
Parishville	263.07	265.50	278.75	282.02	286.58
Pierrepont	17.80	18.37	19.64	19.93	21.49

Tax Collection Procedure

Real property taxes are levied annually by the Board of Education. Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the County of St. Lawrence for collection. The School District receives this amount from said County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Taxes unpaid after October 31 are re-levied at an additional penalty with the Town and County taxes which are due on January 1.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 7,712,319	$ 7,840,259	$ 8,043,159	$ 8,266,406	$ 8,540,024
Amount Uncollected (1)	420,105	412,189	353,681	322,465	352,651
% Uncollected	5.45%	5.26%	4.40%	3.90%	4.13%

(1) The District receives 100% of its tax levy each year. See “Tax Collection Procedure” herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2019-2020	$ 11,061,052	$ 7,119,237	64.36%
2020-2021	10,895,613	7,285,709	66.87
2021-2022	11,231,372	7,424,724	66.11
2022-2023	12,203,161	7,632,112	62.54
2023-2024	12,949,825	7,881,766	60.86
2024-2025 (Budgeted)	12,796,728	8,540,024	66.74
2025-2026 (Budgeted)	13,629,229	8,819,027	64.71

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

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Larger Taxpayers 2024 for 2024-25 Tax Roll

Name	Type	Full Valuation
Erie Boulevard Hydropower	Utility	$ 161,123,451
New York State	State Land	31,320,143
Niagara Mohawk Power Corp	Utility	19,779,038
MWF Adirondacks, LLC	Commercial	15,296,662
JT Granshue Timberland, LLC	Commercial	4,664,801
Lyme Adirondack Timberlands I	Commercial	2,604,508
The Conservation Fund	Commercial	2,278,500
Hollywood Club	Commercial	1,299,700
Thew Spencer	Commercial	1,099,600
SLIC Network Solutions	Telecommunication	991,688

The ten larger taxpayers listed above have a total full valuation of $240,458,091, which represents 41.15% of the tax base of the District for the 2024-2025 fiscal year.

As of the date of this Official Statement, the District currently has two pending tax certioraris that may have a material impact on the District. Erie Boulevard Hydropower is contesting that their assessment should be lowered by $89,128,222 and SLIC Network Solutions is contesting that their assessment should be lowered by $794,269.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

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

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

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

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Colton	$ 74,910	$ 26,100	4/10/2025
Parishville	4,390	1,530	4/10/2025
Pierrepont	58,550	20,400	4/10/2025

$362,290 of the District’s $8,539,686 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.

The District anticipates a similar amount in 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 School District is assessed by the Towns.

Senior citizens' and Veterans' exemptions are not offered.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-45%, Agricultural-40%, Commercial-10% and Industrial-5%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the School District is approximately $1,900 including County, Town or Village, 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 maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Statutory Procedure

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

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

Fiscal Year Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 2,240,000	$ 1,815,000	$ 1,380,000	$ 930,000	$ 475,000
Bond Anticipation Notes	0	8,700,000	0	0	0
Total Debt Outstanding	$ 2,240,000	$ 1,815,000	$ 1,380,000	$ 930,000	$ 475,000

Details of Outstanding Indebtedness

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

Type of Indebtedness	Maturity		Amount
Bonds			$ 0
Bond Anticipation Notes			
Capital Improvement Project	July 17, 2025		6,882,841 (1)
		Total Indebtedness	$ 6,882,841

(1) To be fully renewed with the proceeds of the Notes

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Debt Statement Summary

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

Full Valuation of Taxable Real Property			$ 584,281,433
Debt Limit 10% thereof			58,428,143
Inclusions:			
Bonds	$ 0		
Bond Anticipation Notes (BANs):	6,882,841		
Total Inclusions prior to issuance of the Notes	6,882,841		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	0		
Total Net Inclusions after issuance of the Notes		$ 6,882,841	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 6,882,841
Net Debt-Contracting Margin			$ 51,545,302
The percent of debt contracting power exhausted is			11.78%

[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 50.3% 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 16, 2023 the District voters approved a proposition for a capital project in an amount not to exceed $12,000,000, financed with $5,117,159 from the District Capital Reserve Fund and $6,882,841 through the issuance and sale of serial bonds and notes. On December 12, 2024 the District issued $6,882,841 bond anticipation notes to mature July 17, 2025, representing the initial borrowing against the aforementioned authorization. The proceeds of the Notes will fully redeem and renew the outstanding bond anticipation notes that mature on July 17, 2025.

There is presently a $100,000 Capital Outlay Project authorized and under contract. No borrowing is being contemplated for this project.

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.

Municipality	Status of Debt as of	Gross Indebtedness [1]		Exclusions [2]		Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:								
St. Lawrence	6/28/2024	$ 21,750,000	(4)	$ 455,000	(4)	$ 21,295,000	7.71%	$ 1,641,845
Town of:								
Colton	12/31/2023	321,369	(3)	-	(5)	321,369	92.76%	298,102
Parishville	12/31/2023	1,002,000	(3)	-	(5)	1,002,000	22.41%	224,548
Pierrepont	12/31/2023	98,254	(3)	78,509	(5)	19,745	40.93%	8,081
							Total:	$ 2,172,576

(1) 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 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 dated as of February 13, 2024.

(5) Information regarding excludable debt not available.

Debt Ratios

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

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 6,882,841	$ 2,921.41	1.18%
Net Indebtedness Plus Net Overlapping Indebtedness [c]	9,055,417	3,843.56	1.55

(a) The current estimated population of the District is 2,356. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is $584,281,433. (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 $2,172,576. (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.

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.)

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

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

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.

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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: Nickolas Brouillette, Business Administrator, 4921 State Highway 56, Colton, New York 13625, Phone: (315) 262-2100, email: nbrouillette@cpcs.us.

COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

Dated: June 19, 2025

CINDY MCLEAN
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Cash and cash equivalents	$ 518,610	$ 266,653	$ 250,227	$ 225,010	$ 744,592
Restricted cash and cash equivalents	3,876,651	4,982,688	5,902,485	1,087,715	1,829,987
Due from Other Funds	97,026	96,410	176,664	377,015	279,335
State and Federal Aid Receivable	83,267	105,531	64,265	66,805	89,326
Due from Other Governments	209,168	182,668	218,458	246,440	370,874
Other receivables	2,456	3,941	-	3,779	9,832
Prepaid Expenses	3,936	595	1,023	1,045	1,530
TOTAL ASSETS	$ 4,791,114	$ 5,638,486	$ 6,613,122	$ 2,007,809	$ 3,325,476
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 44,794	$ 32,329	$ 50,585	$ 44,113	$ 140,643
Accrued Liabilities	-	-	-	668	4,539
Due to Teachers' Retirement System	318,955	331,482	376,074	416,488	411,456
Due to Employees' Retirement System	38,141	42,989	35,775	27,596	43,741
Compensated Absences	25,691	22,954	22,454	8,313	-
Due to Other Governments	-	-	-	-	-
Unearned revenue	398	249	249	-	1,125
Due to Other Funds	-	-	8	14,725	8,164
TOTAL LIABILITIES	427,979	430,003	485,145	511,903	609,668
FUND EQUITY					
Restricted	$ 3,880,587	$ 4,983,283	$ 5,903,508	$ 1,087,715	$ 1,829,987
Nonspendable	-	-	-	1,045	1,530
Unrestricted:					
Assigned	229,934	168,037	46,964	13,357	358,998
Unassigned	252,614	57,163	177,505	393,789	525,293
TOTAL FUND EQUITY	4,363,135	5,208,483	6,127,977	1,495,906	2,715,808
TOTAL LIABILITIES & FUND EQUITY	$ 4,791,114	$ 5,638,486	$ 6,613,122	$ 2,007,809	$ 3,325,476

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 7,016,608	$ 7,119,237	$ 7,285,709	$ 7,424,724	$ 7,632,112
Nonproperty Tax Items	485,988	457,832	433,908	426,097	415,931
Charges for Services	12,806	5,200	8,514	30,251	17,399
Use of Money & Property	1,763	21,033	8,724	15,769	218,755
Sale of Property and Compensation for Loss	29,605	14,969	2,720	4,953	4,719
Miscellaneous	178,559	163,076	216,904	174,003	283,567
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	3,040,828	3,279,705	2,786,969	3,108,699	3,584,770
Revenues from Federal Sources	-	-	152,165	46,876	45,908
Total Revenues	$ 10,766,157	$ 11,061,052	$ 10,895,613	$ 11,231,372	$ 12,203,161
Other Sources:					
Interfund Transfers	-	194,400	-	335,377	-
Total Revenues and Other Sources	10,766,157	11,255,452	10,895,613	11,566,749	12,203,161
EXPENDITURES					
General Support	$ 1,372,726	$ 1,354,290	$ 1,500,096	$ 1,679,072	$ 1,849,034
Instruction	4,754,876	4,792,548	4,643,149	4,804,240	5,354,815
Pupil Transportation	646,065	716,156	579,674	632,151	862,331
Community Services	-	-	-	-	-
Employee Benefits	2,712,503	2,781,692	2,832,698	2,906,815	3,051,477
Debt Service	946,119	947,144	481,831	483,863	490,163
Total Expenditures	$ 10,432,289	$ 10,591,830	$ 10,037,448	$ 10,506,141	$ 11,607,820
Other Uses:					
Interfund Transfers	27,100	11,453	12,817	141,114	5,227,412
Total Expenditures and Other Uses	10,459,389	10,603,283	10,050,265	10,647,255	16,835,232
Excess (Deficit) Revenues Over Expenditures	306,768	652,169	845,348	919,494	(4,632,071)
FUND BALANCE					
Fund Balance - Beginning of Year	3,404,198	3,710,966	4,363,135	5,208,483	6,127,977
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 3,710,966	$ 4,363,135	$ 5,208,483	$ 6,127,977	$ 1,495,906

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024			2025	2026
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 8,266,406	$ 8,266,406	$ 7,881,766	$ 8,540,024	$ 8,819,027
Other Tax Items	5,100	5,100	391,248	5,100	5,100
Charges for Services	1,000	1,000	24,582	11,036	11,036
Use of Money & Property	75,000	75,000	142,393	52,500	52,500
Sale of Property and Compensation for Loss	300	300	17,102	2,100	2,100
Miscellaneous	84,500	84,500	295,925	145,000	170,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	3,800,706	3,800,706	4,169,147	4,040,968	4,569,466
Revenues from Federal Sources	-	-	27,661	-	-
Total Revenues	$ 12,233,012	$ 12,233,012	$ 12,949,824	$ 12,796,728	$ 13,629,229
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	12,233,012	12,233,012	12,949,824	12,796,728	13,629,229
EXPENDITURES					
General Support	$ 1,814,923	$ 1,991,557	$ 1,752,961	$ 2,102,063	$ 2,080,896
Instruction	5,909,959	5,600,581	5,467,719	6,015,146	6,011,302
Pupil Transportation	695,367	805,246	757,234	911,241	1,025,642
Community Services	-	-	-	-	-
Employee Benefits	3,202,600	3,306,968	3,154,834	3,506,261	3,785,111
Debt Service	486,163	486,163	486,163	496,000	994,359
Total Expenditures	$ 12,109,012	$ 12,190,515	$ 11,618,911	$ 13,030,711	$ 13,897,310
Other Uses:					
Interfund Transfers	124,000	125,854	111,011	126,000	128,000
Total Expenditures and Other Uses	12,233,012	12,316,369	11,729,922	13,156,711	14,025,310
Excess (Deficit) Revenues Over Expenditures	-	(83,357)	1,219,902	(359,983)	(396,081)
FUND BALANCE					
Fund Balance - Beginning of Year	-	83,357	1,495,906	359,983	396,081
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 2,715,808	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 475,000	$ 10,687.50	$ 485,687.50
TOTALS	$ 475,000	$ 10,687.50	$ 485,687.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2013 Refunding of 2006 Serial Bonds		
	Principal	Interest	Total
2025	$ 475,000	$ 10,687.50	$ 485,687.50
TOTALS	$ 475,000	$ 10,687.50	$ 485,687.50

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

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the 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.

COLTON-PIERREPONT 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.

COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
June 30, 2024

Table of Contents

COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF EDUCATION
COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colton-Pierrepont 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 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 Colton-Pierrepont 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 Financial Statements section of our report. We are required to be independent of Colton-Pierrepont 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 Colton-Pierrepont 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 Colton-Pierrepont 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 Colton-Pierrepont 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 (pages 5-24), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 83), Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (pages 84-85), Schedule of the District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 86), and Schedule of District's Contributions - NYSLRS Pension Plan (page 87) 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 Colton-Pierrepont Central School District's basic financial statements. The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 88-94) and Schedule of Expenditures of Federal Awards (pages 101-102), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 88-94) and the Schedule of Expenditures of Federal Awards (pages 101-102) are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2024 on our consideration of Colton-Pierrepont 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 Colton-Pierrepont 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 Colton-Pierrepont Central School District's internal control over financial reporting and compliance.

Bowers & Company

Watertown, New York
October 7, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

INTRODUCTION

Our discussion and analysis of the financial performance of Colton-Pierrepont Central School District (the District) provides an overview of the District’s financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s net position was ($18,881,834) as of June 30, 2024. The District reported an increase in net position of $326,191 from the prior year net position of ($19,208,025).
- The District’s General Fund balance increased by $1,219,902 during the current year. This is mostly due to a number of revenue streams coming in over budget. State Aid, BOCES refund, and interest and earnings all came in significantly over budget.
- During the fiscal year ending June 30, 2023, District voters approved the District’s $12,000,000 capital project to be funded through a combination of borrowing and capital reserve use. Planning for the project has begun with construction anticipated to begin during the 2024-25 fiscal year.
- A $100,000 Capital Outlay project focused on window replacement was completed in the current year. The project was completed and funded with an interfund transfer from the General Fund in the current year.
- During previous fiscal years, the District was notified that Erie Boulevard Hydropower was seeking a significant reduction in their property valuation related to the tax assessment of local municipalities. The District is not currently aware of the status of the proceedings and, therefore, are unable to determine the potential effects to the District at this time.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **District-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
- **Governmental funds** statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- **Fiduciary fund** statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS - Continued

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS - Continued

District-Wide Statements

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

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds -- not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Fund Financial Statements – Continued

The District has two kinds of funds:

- Governmental Funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the government fund statements that explains the relationship (or differences) between them.
- Fiduciary Funds – the District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the property taxes collected on behalf of other governments. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations and does not have administrative control over funds that are not under specific trust arrangements.

The term "fund balance" refers to the particular fund's equity (Assets + Deferred Outflows of Resources – Liabilities - Deferred Inflows of Resources) in a similar manner to the way the term "net position" is used in the district-wide financial statements presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

Net Position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $18,881,834 at the close of the most recent fiscal year (see Table 1). This represents a $326,191 increase in the net position for the year. The overall deficit is largely due to the District's other postemployment benefit ("OPEB") liability. As of June 30, 2024, the OPEB liability was $38,550,647 compared to $39,482,239 reported at the close of the prior fiscal year.

The largest portion of the school district's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are 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.

In addition to assets, the *Statement of Net Position* reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Included in deferred outflows of resources in the current year is $2,119,873 related to the District's participation in the NYS TRS and ERS pension systems, $4,791,418 related to the District's OPEB Plan, and $50,307 for a deferred charge on bond refunding.

In addition to liabilities, the *Statement of Net Position* or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Included in deferred inflows of resources in the current year is $499,123 related to the District's participation in the NYS TRS and ERS pension systems, and $5,854,373 related to the District's OPEB Plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
- Continued

Table 1: Net Position – Condensed Statement of Net Position

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

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
ASSETS			
Current and Other Assets	$ 8,256,233	$ 7,215,461	14.4%
Capital Assets, Net	13,307,203	12,950,684	2.8%
TOTAL ASSETS	$ 21,563,436	$ 20,166,145	6.9%
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Bond Refunding	$ 50,307	$ 100,614	-50.0%
Other Postemployment Benefits	4,791,418	6,674,007	-28.2%
Pensions	2,119,873	2,517,352	-15.8%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 6,961,598	$ 9,291,973	-25.1%
LIABILITIES			
Current Liabilities	$ 1,161,241	$ 1,253,360	-7.3%
Long-Term Liabilities	39,892,131	41,408,349	-3.7%
TOTAL LIABILITIES	$ 41,053,372	$ 42,661,709	-3.8%
DEFERRED INFLOWS OF RESOURCES			
Pensions	$ 499,123	$ 239,806	108.1%
Other Postemployment Benefits	5,854,373	5,764,628	1.6%
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 6,353,496	$ 6,004,434	5.8%
NET POSITION			
Net Investment in Capital Assets	$ 12,864,068	$ 12,084,417	6.5%
Restricted	6,665,713	6,235,289	6.9%
Unrestricted (Deficit)	(38,411,615)	(37,527,731)	2.4%
TOTAL NET POSITION	$ (18,881,834)	$ (19,208,025)	-1.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
- Continued

Changes in Net Position

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

Table 2 below summarizes the school district's revenue and expense activity.

Table 2: Changes in Net Position – Condensed Statement of Activities

	Governmental Activities		Total % Change
	2024	**2023**	**2023-2024**
Revenues			
General Revenues			
Property Taxes	$ 8,273,014	$ 8,048,043	2.80%
State Revenues	4,169,147	3,584,770	16.30%
Other Revenues	745,542	631,633	18.03%
Program Revenues			
Charges for Services	87,655	119,308	-26.53%
Operating Grants & Contributions	1,072,794	971,490	10.43%
Total Revenues	14,348,152	13,355,244	7.43%
Expenses			
General Support	1,991,270	2,300,951	-13.46%
Instruction	10,452,794	10,116,005	3.33%
Pupil Transportation	1,129,091	1,215,635	-7.12%
Interest Expense	61,750	72,617	-14.96%
School Food Service Program	387,056	352,074	9.94%
Total Expenses	14,021,961	14,057,282	-0.25%
Special Items			
Judgment and Claims Expense	-	250,000	100.00%
Total Change in Net Position	$ 326,191	$ (952,038)	-134.26%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE
- Continued

Governmental Activities

The cost of all governmental activities this year was $14,021,961.

Table 3 presents the net cost (total cost less fees generated by the activities and intergovernmental aid) of various District functions. The net cost reflects what was funded by charges for services and operating and contributions.

Table 3 - Net Cost of Governmental Activities

	Governmental Activities	
	2024	**2023**
Net Expenses (Revenues)		
General Support	$ 1,991,270	$ 2,300,951
Instruction	9,634,505	9,298,817
Pupil Transportation	1,129,091	1,215,635
Interest Expense	61,750	72,617
School Food Service Program	44,896	78,464
TOTAL NET EXPENSES (REVENUES)	$ 12,861,512	$ 12,966,484

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

REVENUES

The next several paragraphs explain the revenues in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the revenues from year-end 2023 to 2024 and second, a pie chart illustrating the percentage of revenues to the total by category.

The District's total revenues were $14,348,152, an increase of $992,908 or approximately 7.43%. State generated revenue increased $584,377 as a result of the increase in Foundation aid and Excess Cost Aid. Operating grant revenue increased by $101,304.

Tax levy revenue accounted for another 57.7% of total revenues, increasing 2.80% or $224,971 . This increase represents the amount needed to fund the increased budget approved by the voters. Of the revenue from the tax levy, property taxes accounted for 95.3% or $7,881,766 and other tax items (STAR reimbursement and interest and penalties) accounted for 2.7% or $391,248.

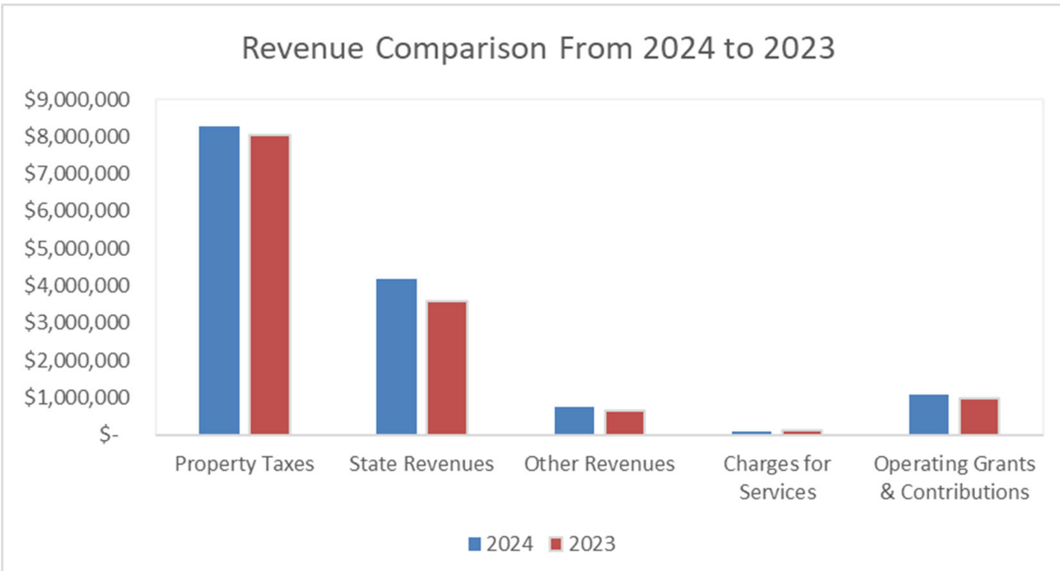
State revenues increased overall by 16.30% or $584,377 in the 2023-2024 fiscal year compared to 2022-2023.

Other revenues increased by $113,909 or 18.03% over 2023-2024 fiscal year. This was primarily due to favorable interest rates during the year.

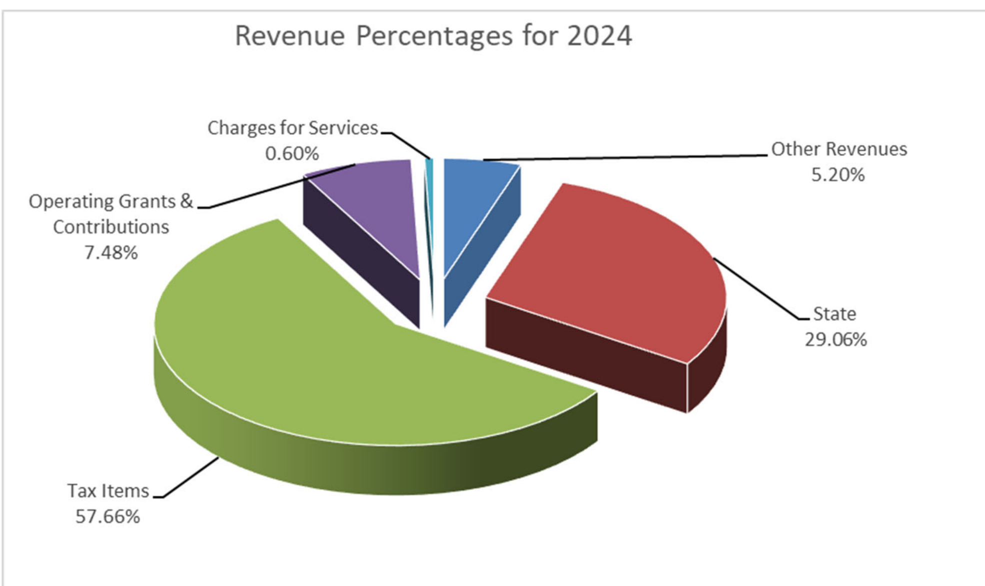
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

REVENUES - Continued

The following bar graph compares the revenues in 2023-2024 to 2022-2023. This chart indicates the total revenue in dollars by category for each fiscal year.



The following pie chart summarizes the revenues for the fiscal year 2023-2024. The chart illustrates the percentage of revenues to the total by category.



EXPENSES

The next several paragraphs explain the expenses in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. These changes are illustrated in Condensed Statement of Activities (Table 2) and in the Net Cost of Governmental Activities (Table 3). Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the expenses from year end June 30, 2023 to June 30, 2024, and second, a pie chart illustrating the percentage of expenses to the total by category.

The total cost of all programs and services was $14,021,961. This is a decrease of $35,321 from the 2022-2023 fiscal year. This decrease is mostly due to the net expense recorded for the District's OPEB liability and related deferred outflows and deferred inflows of resources of $1,040,742. This expense has been allocated to the District's programs and services.

General support, which includes administrative activities and plant services, accounted for 14.2% of total costs. General support expenses decreased 13.5% from the prior year or $309,681.

Instruction: The District's expenses that are predominately related to educating and caring for students, are 74.5% of total expenses. Instructional expenses increased by 3.33% or $336,789 from the previous year.

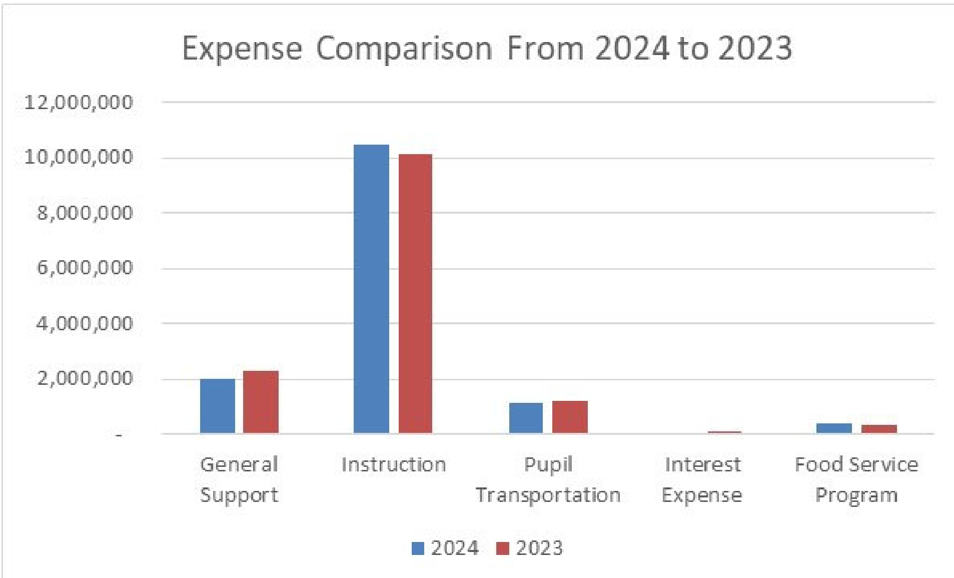
Pupil Transportation expenses account for 8.1% of total expenses. Transportation expenses decreased 7.1% or ($86,544) from the previous year.

School Food Service Program, also known as the cafeteria fund, is included in the condensed statement of activities (Table 2). The school food service program is designed to be self-supporting, with revenues expected to match expenses. School food service expenses increased $34,982.

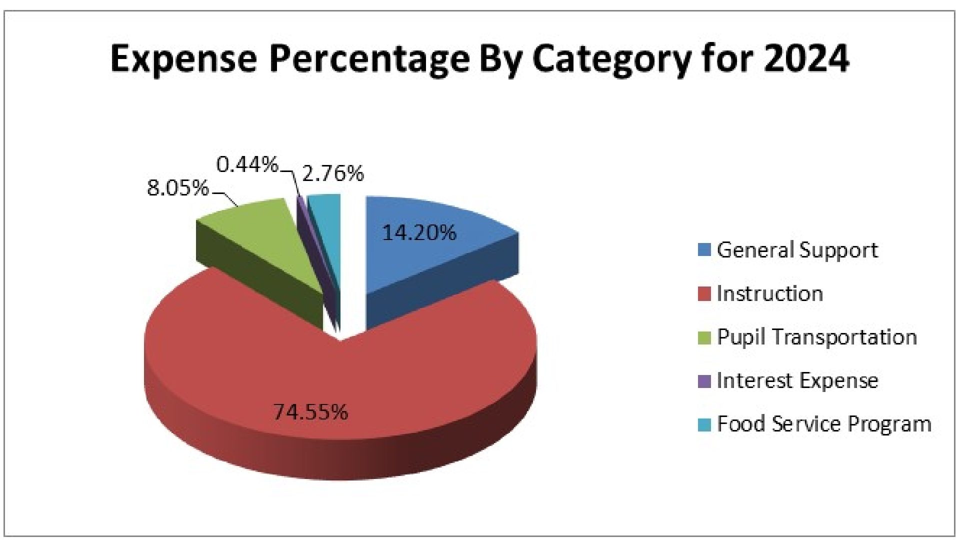
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

EXPENSES - Continued

The following bar graph compares the expenses in 2023-2024 to 2022-2023. This chart indicates the total expense in dollars by category for each fiscal year:



The following pie chart summarizes the expenses for the fiscal year 2023-2024. This chart illustrates the percentage of expenses to the total by category.



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS

Revenues

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The following summarizes the main components of the General Fund revenues:

P*roperty Taxes:* Revenue of $8,273,014 represents 63.9% of total General Fund revenues. The property tax levy budget in 2023-2024 increased 2.80% or $224,971 over 2022-2023. The District stayed within the 2% Property Tax Cap.

Charges for Services: Revenue includes tuition fees and other items. The actual revenue in this category is higher than budget.

M*iscellaneous:* Revenue includes items such as the BOCES refund of prior year expenditures and the Medicare Part D subsidy. The largest source of variance between actual and budgeted in this category is due to an unprecedented increase in interest earnings.

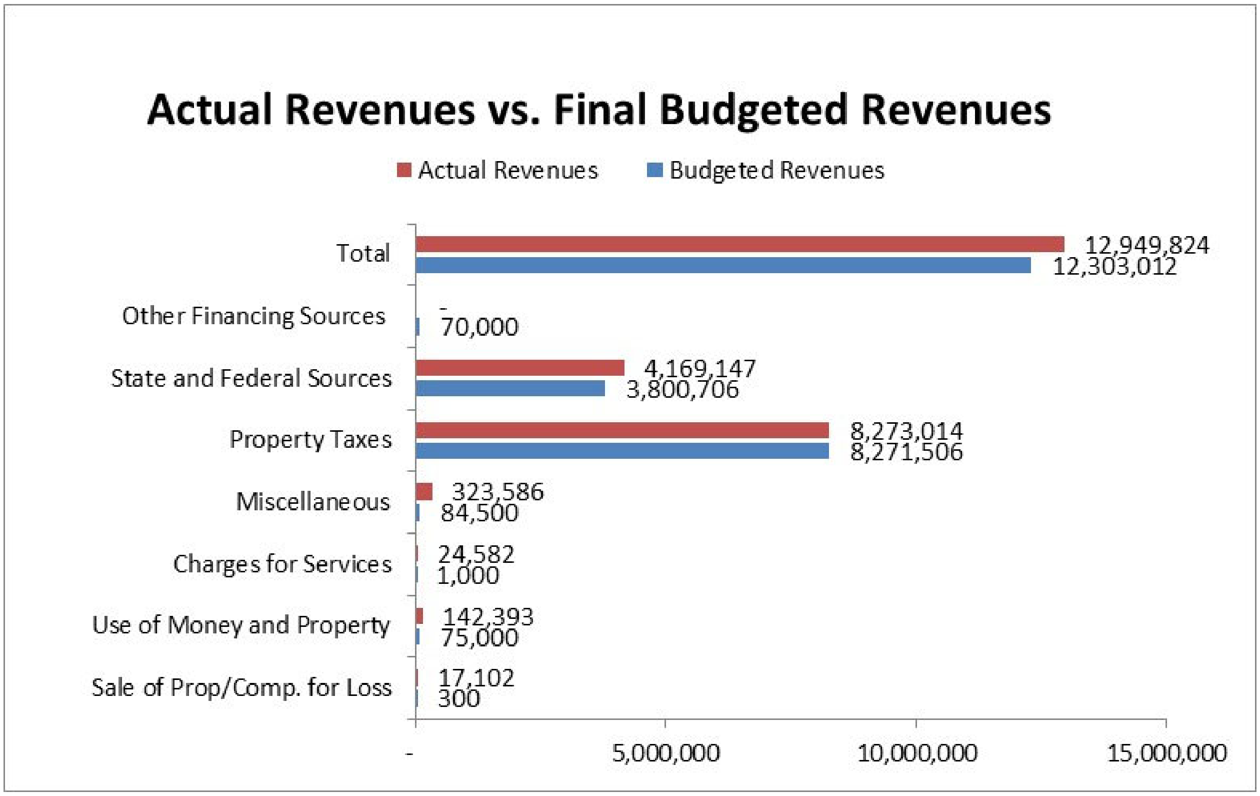
State Aid: The major source of revenue was $4,169,147 in state aid. State aid consists of foundation aid, building aid, transportation aid, lottery aid, BOCES aid, and instructional materials aid. This represents 32.2% of the entire revenue of the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS - Continued

Revenues – Continued

The bar graph below illustrates the actual revenues relative to the final budgeted revenues:



Expenditures

The District had a change of $70,000 from the overall original expenditure budget of $12,246,369 for the 2023-2024 school year and the adjusted expenditure budget was $12,316,369.

Actual expenditures totaled $11,729,922 for a favorable variance of $575,932, inclusive of year-end encumbrances of $10,515. The bar graph below illustrates how the actual expenditures are distributed and how they compare to the final budgeted appropriations.

District practice, as a means of budgetary control, is to under-expend in all functional budget codes. This strategy was successful during 2023-2024 as exhibited in the bar graph on the following page. The three categories deserving mention include instruction, employee benefits and general support.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS - Continued

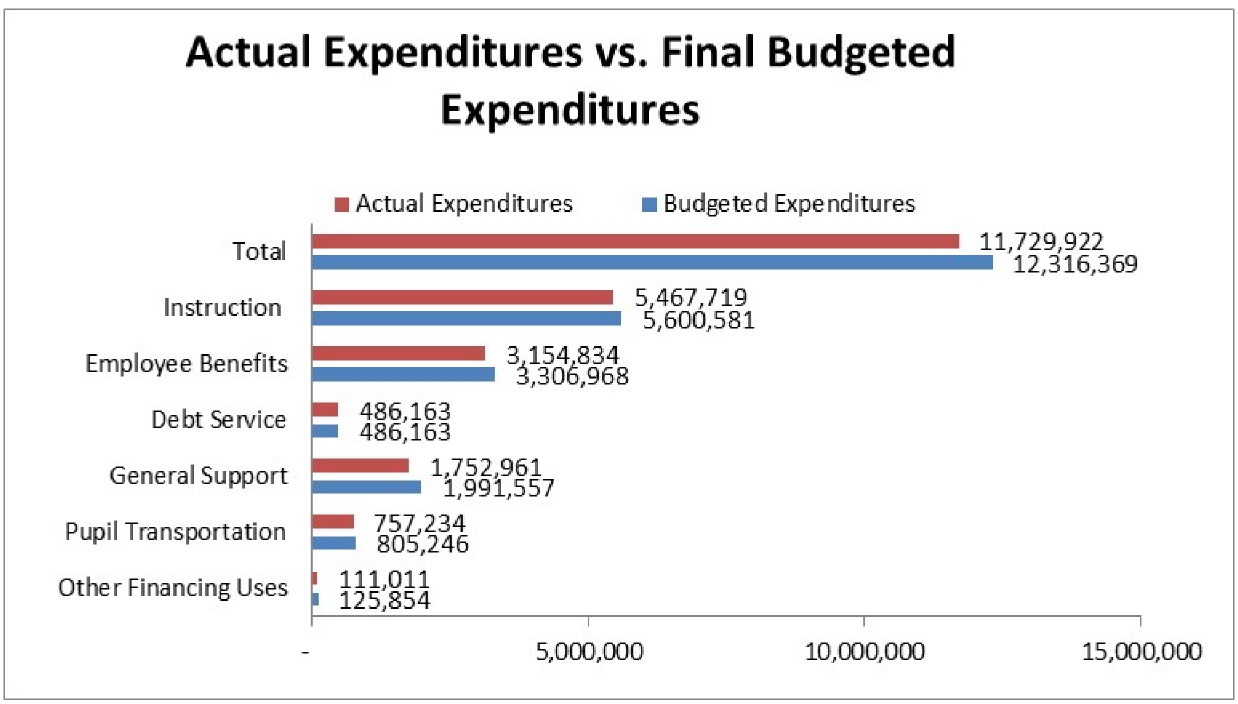
Expenditures - Continued

Instruction: The variance from budget to actual for instructional expenses totaled $132,813 with the largest deviation in the area of services to pupil services and instructional media.

Employee Benefits: The discrepancy in employee benefits from budget to actual totals $141,668. The budget to actual variances is evident in Employees Retirement System expense and the Teachers Retirement System expense.

General Support: The variance from budget to actual for general support is $238,596 with the largest difference being central services in 2023-2024. Fluctuating costs for repairs and snow plowing were the main reasons for this variance. There was also a one-time legal settlement that contributed to the increase.

The bar graph below illustrates the actual expenses relative to the final budgeted expenses:



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $7,588,873 as compared to last year’s ending fund balance of $6,687,260.

General Fund:

The General Fund showed an increase in the total fund balance from the previous year; the fund balance at June 30, 2024 was $2,715,808 compared to $1,495,906 at June 30, 2023. This is an increase of $1,219,902 due to sound financial management of the budget, where revenues exceeded expenses.

Capital Projects Funds:

The Capital Projects Funds showed a total fund balance of $4,763,470 on June 30, 2024 for the District’s heating project, as a result of the approved transfer from the General Fund with minimal expenditures relating to the project in the prior and current year.

School Food Service (Cafeteria) Fund:

Expenditures in the School Food Service Fund largely reflect food costs, employee wages, and fringe benefits. The benefits are negotiated through the CSEA Local Union’s unit contractual agreement. The School Food Service Fund total fund balance at June 30, 2024 was $37,339, inclusive of $6,242 in Nonspendable fund balance (inventories).

During the current year, the District elected to participate in the Community Eligibility Program, which resulted in an increase in participation and reimbursement. The District did receive additional surplus food items valued at $21,018 during the current fiscal year.

Special Aid Fund:

Federal and state grants provide funding for specific purposes ranging from reading improvement to servicing the needs of special education students.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS - Continued

Special Aid Fund - Continued:

During 2023-2024, Special Aid Fund revenues decreased approximately 1.08% compared to 2022-2023. The following table illustrates the revenues and expenditures recorded in the Special Aid Fund as compared to the previous year.

Table 4: Special Aid Fund Revenues and Expenses:

	2024	2023	Change (+/-)
Revenues			
State Sources	$ 106,977	$ 90,761	$ 16,216
Federal Sources	686,730	709,028	(22,298)
Interfund Transfer In	22,688	25,490	(2,802)
TOTAL REVENUES	$ 816,395	$ 825,279	$ (8,884)
Expenses			
General Support	$ 20,000	$ 3,006	16,994
Instruction	580,347	593,367	(13,020)
Pupil Transportation	52,943	58,374	(5,431)
Employee Benefits	163,105	170,532	(7,427)
TOTAL EXPENSES	$ 816,395	$ 825,279	$ (8,884)

All federal and state grants require the filing of an original budget, a budget amendment (if necessary), and a final cost report at the end of the project.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets provide a picture of capital assets over time. These include land, buildings, and equipment and furniture. At June 30, 2024, the District had $13,307,203 invested in a broad range of capital assets, including land, buildings and improvements, equipment and vehicles. See Table 5. More detailed information about the District's capital assets is presented in the notes to the basic financial statements.

Table 5 - Capital Assets

	Governmental Activities		Total $ Change
	2024	2023	2023-2024
Land	$ 1,500	$ 1,500	$ -
Construction In Progress	631,514	69,237	562,277
Buildings and Improvements	20,818,972	20,726,076	92,896
Furniture and Equipment	520,411	472,528	47,883
Vehicles	1,372,347	1,304,477	67,870
Totals at Historical Cost	23,344,744	22,573,818	770,926
Less: Total Accumulated Depreciation	10,037,541	9,623,134	414,407
CAPITAL ASSETS, NET	$ 13,307,203	$ 12,950,684	$ 356,519

Long-Term Debt

As of June 30, 2024, the District had $40,385,573 in long-term debt, consisting of general obligation bonds, other postemployment benefits payable, and amounts owed to employees upon their separation from service for accrued sick time, in accordance with labor contracts, as shown in Table 6.

Table 6 - Long-Term Debt

	Governmental Activities		Total $ Change
	2024	2023	2023-2024
General Obligation Bonds	$ 493,442	$ 966,881	$ (473,439)
Other Post Employment Benefits	38,550,647	39,482,239	(931,592)
Compensated Absences	496,188	352,041	144,147
Judgment and Claims Payable	-	250,000	(250,000)
Net Pension Liability - Proportionate Share	845,296	1,080,627	(235,331)
TOTAL LONG-TERM DEBT	$ 40,385,573	$ 42,131,788	$ (1,746,215)

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

Many factors were considered by the District's administration during the process of developing the fiscal 2024-2025 budget. The primary factors were maintaining the District's program offerings and facilities, changes in enrollment, changes in grant funding in some areas, the costs of employee benefits, diesel fuel, and utilities. Economic uncertainty is a major factor that often makes it difficult to accurately project future budgets. With questionable economic environment, it is difficult to project the financial impact on the School District.

These indicators were considered when adopting the budget for fiscal year 2024-2025. Total General Fund budgeted appropriations in the amount of $13,156,711 were budgeted, an increase of $923,699 from the original 2023-2024 budget of $12,233,012. The most significant changes in the 2023-2024 budget appropriations compared to the 2023-2024 budget were as follows:

- BOCES Special Education Expenses
- Contractual Salaries
- Employee Benefits

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Colton-Pierrepont Central School District Business Office, 4921 State Highway 56, Colton, NY 13617.

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2024

ASSETS		
Cash and Cash Equivalents		
Unrestricted	$	787,622
Restricted		6,717,996
Receivables		
State and Federal Aid		361,828
Due From Other Governments		370,874
Other		10,141
Inventories		6,242
Prepaid Expenditures		1,530
Capital Assets, Net		13,307,203
TOTAL ASSETS	$	21,563,436
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Bond Refunding	$	50,307
Other Postemployment Benefits		4,791,418
Pensions		2,119,873
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$	6,961,598
LIABILITIES		
Payables		
Accounts Payable	$	203,350
Accrued Liabilities		7,343
Due to Other Governments		345
Accrued Interest on Bonds Payable		439
Due to Teachers' Retirement System		411,456
Due to Employees' Retirement System		43,741
Unearned Credits		
Unearned Revenue		1,125
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premium		493,442
Due and Payable After One Year		
Compensated Absences Payable		496,188
Net Pension Liability - Proportionate Share		845,296
Other Postemployment Benefits Payable		38,550,647
TOTAL LIABILITIES	$	41,053,372
DEFERRED INFLOWS OF RESOURCES		
Pensions	$	499,123
Other Postemployment Benefits		5,854,373
TOTAL DEFERRED INFLOWS OF RESOURCES	$	6,353,496
NET POSITION		
Net Investment in Capital Assets	$	12,864,068
Restricted for:		
Capital Projects Reserve and Capital		4,774,853
Other Legal Restrictions		1,890,860
Unrestricted (Deficit)		(38,411,615)
TOTAL NET POSITION	$	(18,881,834)

See notes to audited basic financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

Year Ended June 30, 2024

		Program Revenues		Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 1,991,270	$ -	$ -	$ (1,991,270)
Instruction	10,452,794	24,582	793,707	(9,634,505)
Pupil Transportation	1,129,091	-	-	(1,129,091)
Debt Service - Interest	61,750	-	-	(61,750)
School Food Service	387,056	63,073	279,087	(44,896)
Total Functions and Programs	$ 14,021,961	$ 87,655	$ 1,072,794	(12,861,512)
GENERAL REVENUES				
Real Property Taxes				7,881,766
Other Tax Items				391,248
Use of Money and Property				395,377
Sale of Property and Compensation for Loss				212
Loss on Disposal of Capital Asset				(16,102)
State Sources				4,169,147
Medicaid Reimbursement				27,661
Miscellaneous				338,394
Total General Revenues				13,187,703
Change in Net Position				326,191
Net Position - Beginning of Year				(19,208,025)
Net Position - End of Year				$ (18,881,834)

See notes to audited basic financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General	Special Aid	Capital Project - District Wide	Total Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents					
Unrestricted	$ 744,592	$ 29,215	$ -	$ 13,815	$ 787,622
Restricted	1,829,987	-	4,823,914	64,095	6,717,996
Receivables					
Due From Other Funds	279,335	-	-	12,717	292,052
State and Federal Aid	89,326	251,620	-	20,882	361,828
Due From Other Governments	370,874	-	-	-	370,874
Other	9,832	-	-	309	10,141
Inventories	-	-	-	6,242	6,242
Prepaid Expenditures	1,530	-	-	-	1,530
TOTAL ASSETS	$ 3,325,476	$ 280,835	$ 4,823,914	$ 118,060	$ 8,548,285
LIABILITIES					
Payables					
Accounts Payable	$ 140,643	$ -	$ 60,444	$ 2,263	$ 203,350
Accrued Liabilities	4,539	-	-	2,804	7,343
Due to Other Funds	8,164	280,835	-	3,053	292,052
Due to Other Governments	-	-	-	345	345
Due to Teachers' Retirement System	411,456	-	-	-	411,456
Due to Employees' Retirement System	43,741	-	-	-	43,741
Unearned Credits					
Unearned Revenue	1,125	-	-	-	1,125
Total Liabilities	609,668	280,835	60,444	8,465	959,412
FUND BALANCES					
Nonspendable	1,530	-	-	6,242	7,772
Restricted	1,829,987	-	4,763,470	72,256	6,665,713
Assigned	358,998	-	-	31,097	390,095
Unassigned	525,293	-	-	-	525,293
Total Fund Balances	2,715,808	-	4,763,470	109,595	7,588,873
TOTAL LIABILITIES AND FUND BALANCES	$ 3,325,476	$ 280,835	$ 4,823,914	$ 118,060	$ 8,548,285

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

Total Fund Balances - Governmental Funds			$	7,588,873
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Proportionate share of long-term liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.				
Net Pension Liability - Proportionate Share - TRS	$	228,288		
Net Pension Liability - Proportionate Share - ERS		617,008		(845,296)
Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:				
Pensions	$	499,123		
Other Postemployment Benefits		5,854,373		(6,353,496)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consists of:				
Pensions	$	2,119,873		
Other Postemployment Benefits		4,791,418		
Deferred Charge on Bond Refunding		50,307		6,961,598
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:				
Cost of Capital Assets	$	23,344,744		
Accumulated Depreciation		(10,037,541)		13,307,203
Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the fund statements. Long-term liabilities, at year end, consist of:				
Bonds Payable	$	475,000		
Premium on Bond Issue		18,442		
Accrued Interest on Bonds Payable		439		
Compensated Absences Payable		496,188		
Other Postemployment Benefits Payable		38,550,647		(39,540,716)
Total Net Position - Governmental Activities			$	(18,881,834)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2024

	General	Special Aid	Capital Project - District Wide	Total Non-Major Funds	Total Governmental Funds
REVENUES					
Real Property Taxes	$ 7,881,766	$ -	$ -	$ -	$ 7,881,766
Other Tax Items	391,248	-	-	-	391,248
Charges for Services	24,582	-	-	-	24,582
Use of Money and Property	142,393	-	251,722	1,262	395,377
Sale of Property and Compensation for Loss	17,102	-	-	-	17,102
State Sources	4,169,147	106,977	-	97,558	4,373,682
Medicaid Reimbursement	27,661	-	-	-	27,661
Federal Sources	-	686,730	-	160,511	847,241
Surplus Food	-	-	-	21,018	21,018
Sales - School Food Service	-	-	-	63,073	63,073
Miscellaneous	295,925	-	-	42,469	338,394
Total Revenues	12,949,824	793,707	251,722	385,891	14,381,144
EXPENDITURES					
General Support	1,752,961	20,000	-	-	1,772,961
Instruction	5,467,719	580,347	-	-	6,048,066
Pupil Transportation	757,234	52,943	-	-	810,177
Employee Benefits	3,154,834	163,105	-	83,575	3,401,514
Debt Service:					
Principal	455,000	-	-	-	455,000
Interest	31,163	-	-	-	31,163
School Food Service:					
General Support	-	-	-	106,259	106,259
Cost of Sales	-	-	-	160,622	160,622
Other Expenditures	-	-		38,596	38,596
Capital Outlay	-	-	568,704	86,469	655,173
Total Expenditures	11,618,911	816,395	568,704	475,521	13,479,531
Excess (Deficiency) of Revenues Over Expenditures	1,330,913	(22,688)	(316,982)	(89,630)	901,613
OTHER FINANCING SOURCES AND (USES)					
Operating Transfers In	-	22,688	-	88,323	111,011
Operating Transfers (Out)	(111,011)	-	-	-	(111,011)
Total Other Financing Sources and (Uses)	(111,011)	22,688	-	88,323	-
Net Change in Fund Balances	1,219,902	-	(316,982)	(1,307)	901,613
Fund Balances - Beginning of Year	1,495,906	-	5,080,452	110,902	6,687,260
Fund Balances - End of Year	$ 2,715,808	$ -	$ 4,763,470	$ 109,595	$ 7,588,873

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds			$ 901,613
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, assets with an initial individual cost of more than $5,000 are capitalized and in the Statement of Activities the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation, proceeds from sale of buses, and loss on disposal in the current period.			
	Capital Outlays	$ 985,698	
	Proceeds from Sale of Buses	(16,890)	
	Loss on Disposal	(16,102)	
	Depreciation Expense	(596,187)	356,519
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.			455,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is increased by the change in accrued interest on bonds and amortization of premium on obligation and deferred charge on bond refunding.			(30,587)
In the Statement of Activities, certain operating expenses-compensated absences (vacations and certain sick pay), special termination benefits (early retirement) 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).			(144,147)

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - CONTINUED

Year Ended June 30, 2024

Payment of judgment and claims liabilities were reported on the Statement of Activities in the prior year based on a projected claims that was probable and reasonably estimated, whereas, on the governmental funds the expenditure was recorded in the current year when the claim became due with a signed settlement agreement.		250,000
On the Statement of Activities, the actual and projected long-term expenditures for postemployment benefits and related outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.		(1,040,742)
Increases in proportionate share of net pension asset (liability) and related deferred outflows/inflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	$ (278,205)	
Employees' Retirement System	(143,260)	(421,465)
Change in Net Position of Governmental Activities		$ 326,191

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Custodial
ASSETS	
Cash and Cash Equivalents	
Restricted	$ -
Total Assets	$ -
LIABILITIES	
Other Liabilities	$ -
Total Liabilities	-
NET POSITION	
Restricted	$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	Custodial
ADDITIONS	
Taxes Collected for Other Governments (Library Levy)	$ 30,000
Total Additions	30,000
DEDUCTIONS	
Payment of Tax to Other Governments (Library Levy)	30,000
Total Deductions	30,000
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	$ -

See notes to audited basic financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Colton-Pierrepont Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven 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 39, *Component Units*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39, GASB Statement 80 - Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, GASB 84, *Fiduciary Activities,* and GASB 97, *Certain Component Unit Criteria*, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 And No. 84, and a Supersession of GASB 32. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

Extra Classroom Activity Funds

The Extra Classroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom 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 Extra Classroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in a miscellaneous special revenue fund.

Joint Venture

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

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 $1,929,948 for BOCES administrative, capital, and program costs.

The District's share of BOCES aid amounted to $714,796. This represents State aid distributions of $483,471 and 2023 fund balance returned to schools of $231,325.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation

District-Wide Statements

The *Statement of Net Position* and the *Statement of Activities* present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State and Federal 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 direct 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. 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 funds, including each type of fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition, extra classroom activity funds which the District has administrative involvement or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for specific educational programs.

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Extra Classroom Activity Funds: Used to account for funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extra classroom activity funds are independent of the District with respect to its financial transactions and the designation of student management.

Scholarships and Awards Fund: Used to account for proceeds received from various individuals and organizations that are restricted for specific scholarship and award programs not under specific trust arrangements.

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

The District reports the following fiduciary funds:

Fiduciary Funds: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation - Continued

The District uses one class of fiduciary funds:

Custodial Funds: These funds are limited to assets that are being held for individuals, private organizations, or other governments that are not held in a trust. Assets are held by the District as agent for property taxes collected on behalf of other governments.

Measurement Focus and Basis of Accounting

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State Aid, grants and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from State Aid is recognized in the fiscal year it is appropriated by the State. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus and Basis of Accounting - Continued

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

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2023 and become a lien on August 16, 2023. Taxes are collected during the period from September 1, 2023 to October 31, 2023.

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

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.

Interfund Transactions

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities 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.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES – Continued

Interfund Transactions - Continued

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses 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, useful lives of capital assets, intangible lease assets, and intangible subscription assets.

Cash and Cash Equivalents

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

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories and Prepaid Items

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

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

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

Other Assets

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

Capital Assets and Intangible Lease Assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and construction in progress are not depreciated.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets and Intangible Lease Assets – Continued

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 5,000	N/A	N/A
Buildings and improvements	5,000	Straight-line	50 Years
Site Improvements	5,000	Straight-line	20 Years
Furniture and Equipment	5,000	Straight-line	5-20 Years
Vehicles	5,000	Straight-line	5-10 Years

The District does not possess any infrastructure.

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of $5,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Outflows and Inflows of Resources

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Unearned Revenue

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

Vested Employee Benefits

Compensated Absences

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

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

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Other Benefits

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

District employees may choose to participate in the district's elective deferred compensation plans established under internal revenue code sections 403(b) and 457.

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

Short-Term Debt

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Accrued Liabilities and Long-Term Obligations

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

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

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) and intangible lease assets (present value of future payments remaining on the term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications - Continued

Fund Statements

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

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance typically includes the inventory recorded in the School Food Service Fund and prepaid expenditures recorded in the General Fund. The School Food Service Fund had $6,242 of actual inventories on hand and the General Fund had $1,530 of prepaid expenditures as of June 30, 2024.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Retirement Contributions

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications - Continued

Employee Benefit Accrued Liability

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

Unemployment Insurance

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

Capital Reserve

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

Repair Reserve

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

Tax Certiorari

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

Scholarships and Awards Fund

According to constraints placed on the use of resources established by various scholarship and award programs, must be used for the specific purpose outlined in the program. These monies are accounted for in the Scholarships and Awards Fund.

Extra Classroom Activity Funds

According to the regulations of the Commissioner of Education (8 NYCRR Part 172), the Board of Education of the District is required to make the rules and regulations for the establishment, conduct, operation, and maintenance of extra classroom activities and for the safeguarding, accounting and audit of all moneys received. According to the regulations of the Board of Education, the monies represent the funds of the students of the District and must be used by the student organizations of the District. These monies are accounted for the in Extra Classroom Activity Funds.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

Restricted fund balances include the following:

General Fund		
Reserve for Teachers' Retirement System Contributions	$	364,544
Employee Benefit Accrued Liability		364,535
Retirement Contribution Reserve		463,328
Unemployment Insurance		26,834
Tax Certiorari		493,819
Capital Reserve		11,383
Repair Reserve		105,544
Extra Classroom Activity Funds		38,289
Scholarships and Awards Fund		33,967
Capital Projects Fund - District Wide		4,763,470
Total Restricted Funds	$	6,665,713

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

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $10,515. Any remaining fund balance in other funds is considered assigned.

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 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications – Continued

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

Order of Use of Fund Balance

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

New Accounting Standards

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

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*.

Future Changes in Accounting Standards

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ended June 30, 2025.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ended June 30, 2025.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ended June 30, 2026.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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 governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the District-wide statements, compared with the current financial resources focus of the governmental funds.

Total 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 of long-term assets and long-term liabilities.

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

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

1. 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.

2. Capital Related Differences:

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities - Continued

3. 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.

4. Pension Differences:

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

5. OPEB Differences:

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

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.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

Budgets – Continued

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. The original budget was increased by $70,000 for a voter approved use of capital reserve funds for purchase of a vehicle.

Budgets are adopted 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.

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

Special Revenue Funds have not been included in the comparison because they do not have a legally authorized (appropriated) budget.

Encumbrances

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

Other

The General Fund overspent budgeted amounts for teaching – regular schools by $15,267.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Cash

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

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

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 431,771

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 $1,829,987 restricted for various fund balance reserves in the General Fund, $4,823,914 restricted for a District-Wide project in the Capital Projects Fund, $27,075 restricted for extra classroom activities in the Extra Classroom Activity Fund, and $37,020 restricted for scholarships and awards in the Scholarships and Awards Fund within the governmental funds.

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

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Cash – Continued

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

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

Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The amounts held represent the cost of the investment pool shares and are considered to approximate net asset value. The investment pool is categorically exempt from New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NY CLASS. At June 30, 2024, the District held $2,314,387 in the General Fund, $25,778 in the Extra Classroom Activity Fund , $35,646 in the Scholarship and Awards Fund, and $4,823,043 in the Capital Project Fund through the cooperative which are included in unrestricted and restricted cash and cash equivalents.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 - CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	$ 1,500	$ -	$ -	$ 1,500
Construction In Progress	69,237	655,173	(92,896)	631,514
Total Nondepreciable Assets	70,737	655,173	(92,896)	633,014
Capital Assets That Are Depreciated:				
Site Improvements	223,133	-	92,896	316,029
Buildings and Improvements	20,502,943	-	-	20,502,943
Furniture and Equipment	472,528	47,883	-	520,411
Vehicles	1,304,477	282,642	(214,772)	1,372,347
Total Depreciable Assets	22,503,081	330,525	(121,876)	22,711,730
Less: Accumulated Depreciation				
Site Improvements	189,881	3,747	-	193,628
Buildings and Improvements	8,668,772	416,753	-	9,085,525
Furniture and Equipment	183,965	30,981	-	214,946
Vehicles	580,516	144,706	(181,780)	543,442
Total Accumulated Depreciation	9,623,134	596,187	(181,780)	10,037,541
Total Depreciated Assets, Net	12,879,947	(265,662)	59,904	12,674,189
Capital Assets, Net	$ 12,950,684	$ 389,511	$ (32,992)	$ 13,307,203

Depreciation expense was charged to governmental functions as follows:

General Support	$ 13,259
Instruction	453,781
Pupil Transportation	124,075
School Food Service	5,072
Total Depreciation Expense	$ 596,187

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - SHORT-TERM DEBT OBLIGATIONS

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

NOTE 7 - LONG-TERM DEBT OBLIGATIONS

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

Serial Bonds

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

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

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance	Amount Due Within One Year
Long-Term Liabilities					
General Obligation Debt					
Serial Bonds	$ 930,000	$ -	$ 455,000	$ 475,000	$ 475,000
Premium on Obligations	36,881	-	18,439	18,442	18,442
Total Long-Term Liabilities	966,881	-	473,439	493,442	493,442
Other Long-Term Liabilities					
Compensated Absences Payable	352,041	144,147	-	496,188	-
Other Postemployment Benefits Liability	39,482,239	-	931,592	38,550,647	-
Judgment and Claims Payable	250,000	-	250,000	-	-
Net Pension Liability - Proportionate Share	1,080,627	-	235,331	845,296	-
Total Other Long-Term Liabilities	41,164,907	144,147	1,416,923	39,892,131	-
Total Governmental Activities	$ 42,131,788	$ 144,147	$ 1,890,362	$ 40,385,573	$ 493,442

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - LONG-TERM DEBT OBLIGATIONS - Continued

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences and other postemployment benefits payable.

Existing serial and statutory obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Refunding Bond	2/14/2013	6/15/2025	1% - 4.5%	$ 475,000
				$ 475,000

The following is a summary of debt service requirements at year-end June 30:

	Principal	Interest	Total
2025	$ 475,000	$ 10,688	$ 485,688
Total	$ 475,000	$ 10,688	$ 485,688

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. $500,000 of bonds outstanding are considered defeased.

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

Interest Paid	$ 31,163
Less: Interest Accrued in the Prior Year	(1,720)
Less: Amortization of Premium on Obligation	(18,439)
Plus: Interest Accrued in the Current Year	439
Plus: Amortization of Deferred Charge on Refunding	50,307
Total Interest on Long-Term Debt	$ 61,750

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS

General Information

The District participates in the New York State Teachers' Retirement System (NYSTRS) and the New York State Employees' Retirement System (NYSERS). These are cost-sharing multiple employer public employee defined benefit 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.

Teachers' Retirement System (TRS) Plan Description

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Employees' Retirement System (ERS) Plan Description

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

TRS Benefits Provided

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits for Tiers 1-6 are now vested after 5 years of credited service. Prior to April 9, 2022, Tier 5 and 6 members were to attain 10 years of state service credit to be vested. Benefits are payable at age 55 or were with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided – Continued

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of maximum annual benefit. The applicable percentage payable beginning September 2022 and 2021 is 3.0% and 1.4%, respectively. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

ERS Benefits Provided

Benefits

The System provides retirement benefits as well as death and disability benefits.

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

NOTE 8 - PENSION PLANS - Continued

ERS Benefits Provided – Continued

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years.

Tier 3, 4, and 5

Eligibility: Tier 3, 4 and 5 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 2 years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS – Continued

ERS Benefits Provided - Continued

Final average salary is the average of the wages earned in the 5 highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 4 years.

Vested Benefits

Members who joined the System prior to January 1, 2010 need 5 years of service to be 100 percent vested. Members who joined on or after January 1, 2010 required 10 years of service credit to be 100 percent vested. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all Members are vested when they reach 5 years of service credit.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS – Continued

ERS Benefits Provided - Continued

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. (The District chose to prepay the required contributions by December 15, 2023 and received an overall discount of $952).

The District's share of the required contributions, based on covered payroll paid for the current and two preceding years were:

	NYSTRS	NYSERS
2023-2024	$ 379,381	$ 132,453
2022-2023	343,057	116,221
2021-2022	312,916	154,504

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Pension Assets, 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 Systems in reports provided to the District.

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
District's Proportionate Share of the Net Pension Asset (Liability)	$ (617,008)	$ (228,288)
District's Portion (%) of the Plan's Total Net Pension Asset (Liability)	0.0041905%	0.019962%
Change in Proportion (%) Since the Prior Measurement Date	0.0009194%	0.000202%

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

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

For the year ended June 30, 2024, the District's recognized pension expense of $143,260 for ERS and $278,205 for TRS. At June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	$ 198,738	$ 553,536	$ 16,824	$ 1,368
Changes of Assumptions	233,277	491,496	-	107,119
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	116,696	301,405	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	89,360	25,708	26,264	46,143
District's Contributions Subsequent to the Measurement Date	43,741	367,321	-	-
Total	$ 565,116	$ 1,554,757	$ 344,493	$ 154,630

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

	ERS	TRS
2025	$ (93,873)	$ 86,314
2026	133,560	(124,168)
2027	192,382	919,222
2028	(55,187)	67,887
2029	-	50,591
Thereafter	-	32,960

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - 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 liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	**TRS**
Measurement Date	March 31, 2024	June 30, 2023
Actuarial Valuation Date	April 1, 2023	June 30, 2022
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLANS - Continued

Actuarial Assumptions - Continued

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

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

Discount Rate

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8- PENSION PLANS - Continued

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% 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 (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's Proportionate Share of the Net Pension Asset (Liability)	$ (1,939,935)	$ (617,008)	$ 487,911

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's Proportionate Share of the Net Pension Asset (Liability)	$ (3,476,934)	$ (228,288)	$ 2,503,965

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	Total
Measurement Date	March 31, 2024	June 30, 2023	
Employer's Total Pension Asset (Liability)	$ (240,696,851)	$ (138,365,122)	$ (379,061,973)
Plan Net Position	225,972,801	137,221,537	363,194,338
Employer's Net Pension Asset (Liability)	$ (14,724,050)	$ (1,143,585)	$ (15,867,635)
Ratio of Plan Net Position to the Employer's Total Pension Asset (Liability)	93.88%	99.17%	

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - 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 31. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $43,741. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to $411,456.

NOTE 9 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund balances at June 30, 2024 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	$ 279,335	$ 8,164	$ -	$ 111,011
Special Aid	-	280,835	22,688	-
School Food Service	1,503	-	1,854	-
Capital Projects	-	-	86,469	-
Special Revenue	11,214	3,053	-	-
Total	$ 292,052	$ 292,052	$ 111,011	$ 111,011

The District typically transfers 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. The General Fund advanced funds to the Special Aid to provide temporary cash until New York State has reimbursed the grant programs. The General Fund transferred monies to the Capital Projects Fund to fund the Capital Outlay project.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 - FUND BALANCE EQUITY

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

Fund Balances	General	Capital Project - District Wide	Total Non-Major	Total Governmental Funds
Nonspendable				
Prepaid Expenditures	$ 1,530	$ -	$ -	$ 1,530
Inventory	-	-	6,242	6,242
Restricted				
Reserve for TRS Contributions	364,544	-	-	364,544
Employee Benefit Accrued Liability	364,535	-	-	364,535
Retirement Contribution Reserve	463,328	-	-	463,328
Unemployment Insurance	26,834	-	-	26,834
Tax Certiorari	493,819	-	-	493,819
Capital Reserve	11,383	-	-	11,383
Repair Reserve	105,544	-	-	105,544
Extra Classroom Activity Funds	-	-	38,289	38,289
Scholarships and Awards Fund	-	-	33,967	33,967
Capital Projects - District-Wide	-	4,763,470	-	4,763,470
Assigned				
Designed for Next Fiscal Year	348,483			348,483
Instruction	49	-	-	49
Employee Benefits	10,466	-	-	10,466
School Food Service Fund	-	-	31,097	31,097
Unassigned				
General Fund	525,293	-	-	525,293
Total Governmental Fund Balances	$ 2,715,808	$ 4,763,470	$ 109,595	$ 7,588,873

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a 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, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The District provides healthcare benefits for retirees and their dependents. The benefit 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.

Employees Covered by Benefit Terms – At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	73
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	69
Total Covered Employees	142

The District provides a Self-Insured Traditional Indemnity Plan to eligible retirees and dependents through the St. Lawrence-Lewis Health Care Consortium (the Plan). Currently 73 retired employees have elected to participate and contribute health insurance payments under the District's group plan. The Plan does issue a publicly available financial report.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

General Information about the OPEB Plan - Continued

All active employees and retirees are subject to the following eligibility and contribution requirements:

Union

- Eligibility for postretirement benefits for union employees requires a minimum age of 55 with at least ten (10) years of service.
- Retirees are required to contribute 11% of the premium towards postemployment health benefits for the Plan coverage. Surviving Spouses are required to contribute 50% of the premium cost.

Non-Union

- Eligibility for postretirement benefits for non-union employees requires a minimum age of 55 with at least ten (10) years of service.
- Retirees are required to contribute 11% of the premium amount for the Plan coverage. Surviving Spouses are required to contribute 50% of the premium cost.

The District provides Medicare Part B premium reimbursements at the same rates as health insurance benefits for all Medicare eligible and retirees and spouses only. Surviving spouses do not receive reimbursements.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2024, the District recognized $1,171,277 for its share of insurance premiums for currently enrolled retirees.

Total OPEB Liability

The District has obtained an actuarial valuation report as of June 30, 2024 which indicates that the total liability for other postemployment benefits is $38,550,647 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Total OPEB Liability - Continued

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

Actuarial Methods and Assumptions	
Measurement Date	7/1/2023
Rate of Compensation Increase	3.00%
Inflation Rate	2.70%
Discount Rate	3.65%
Assumed Medical/Prescription Drug Trend Rates at June 30	
Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.80%
Rate to Which the Cost Trend Rate is Assumed to Decline	
(the Ultimate Trend Rate)	4.14%
Fiscal Year that the Rate Reaches Ultimate Trend Rate	2094
Additional Information	
Actuarial Cost Method	Entry Age Normal
Amortized Cost Method	Level Percentage
Amortized Period Remaining (in Years)	5.73
Method Used to Determine Actuarial Value of Assets	N/A

The discount rate was based on the Bond Buyer or Weekly 20-Bond GO Index as of July 1, 2023.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 39,482,239
Changes for the Year	
Service Cost	1,177,945
Interest	1,416,081
Changes of Benefit Terms	(514,864)
Differences Between Expected and Actual Experience	(2,114,087)
Changes of Assumptions or Other Inputs	419,115
Benefit Payments	(1,315,782)
Net Changes	(931,592)
Balance at June 30, 2024	$ 38,550,647

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

Changed contribution rate for NYSUT members from 10% to 11% in 2023-2024, then 12% in 2024-2025 and thereafter.

Updated the TRS turnover/retirement rates with the tables from the NYTRS Office of the Actuary dated October 19, 2021 and the ERS turnover/retirement rates with the NYERS Office of Actuary rates from their report dated August 2020.

The healthcare trend rate table was updated for 2023 using Getzen model V2023_1F.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Changes in the Total OPEB Liability – Continued

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

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	$ 45,347,124	$ 38,550,647	$ 33,138,957

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (trend decreasing to 3.14 percent) or 1 percentage point higher (trend decreasing to 5.14 percent) than the current healthcare cost trend rate:

	1% Decrease Healthcare Cost Trend Rates (Trend Less 1% Decreasing to 3.14%)	Healthcare Cost Trend Rates (Trend at 4.14%)	1% Increase Healthcare Cost Trend Rates (Trend Plus 1% Increasing to 5.14%)
Total OPEB Liability	$ 32,691,388	$ 38,550,647	$ 46,141,623

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

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

For the year ended June 30, 2024, the District recognized OPEB expense of $1,040,742. 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	$ 781,606	$ 1,745,136
Changes of Assumptions or Other Inputs	2,763,816	4,109,237
Benefit Payments Subsequent to the Measurement Date	1,245,996	-
	$ 4,791,418	$ 5,854,373

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

Fiscal Year Ending June 30,	
2025	$ 536,511
2026	(516,212)
2027	(1,246,258)
2028	(867,055)
2029	(215,937)
Thereafter	-
	$ (2,308,951)

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 12 - RISK MANAGEMENT

General

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage for the year ended June 30, 2023. The District settled a claim pursuant to the NYS Child Victims Act (CVA) of $100,000 which was paid during the year ended June 30, 2024.

Pooled Non-Risk-Retained

The District participates in the St. Lawrence – Lewis County School District's Healthcare Plan (Plan), a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 18 individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to $1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the $1,000,000 limit, and the District has essentially transferred all related risk to the pool.

Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing: St. Lawrence-Lewis Counties School District Employee Medical Plan, Post Office Box 697, Canton, New York 13617.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 12 - RISK MANAGEMENT - Continued

Pooled Non-Risk-Retained - Continued

The District participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to ensure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District share of the liability for unbilled and open claims is $0.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

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

During the 2021-22 fiscal year, the District was notified of a tax certiorari suit of one of the District's largest taxpayers for a reduction of the assessed land value. The District is not yet aware of the potential outcome of the suit or the implications concerning its impact on the District.

During previous years, the District was served a Notice of Claim pertaining to the Child Victims Act. Due to the liability being probable and reasonably estimated at June 30, 2023, of $250,000 had been recognized on the Statement of Net Position as judgments and claims payable in the 2022-23 fiscal year.

NOTE 14 – DONOR-RESTRICTED

The District administers endowment funds which are restricted by the donor for the purpose of providing scholarships.

Donor-restricted endowments are invested in savings accounts.

The District authorizes expenditures from the endowments in compliance with the wishes expressed by the donor or trustee.

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
Ended June 30, 2024

Total OPEB Liability	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Service Cost	$ 1,177,945	$ 1,810,747	$ 1,269,754	$ 889,527	$ 852,933	$ 1,078,833	$ 1,403,388
Interest	1,416,081	974,380	906,097	1,113,488	1,188,919	1,178,883	1,034,051
Changes of Benefit Terms	(514,864)	-	-	-	(325,758)	-	(263,296)
Difference between Expected and Actual Experience	(2,114,087)	-	1,653,529	-	880,699	-	4,455,102
Changes in Assumptions or Other Inputs	419,115	(6,400,318)	1,253,874	7,674,836	(764,582)	(3,423,070)	(9,273,669)
Benefit Payments	(1,315,782)	(1,247,176)	(937,487)	(806,880)	(745,643)	(522,530)	(610,937)
Net Change in Total OPEB Liability	(931,592)	(4,862,367)	4,145,767	8,870,971	1,086,568	(1,687,884)	(3,255,361)
Total OPEB Liability - Beginning	39,482,239	44,344,606	40,198,839	31,327,868	30,241,300	31,929,184	35,184,545
Total OPEB Liability - Ending	$ 38,550,647	$ 39,482,239	$ 44,344,606	$ 40,198,839	$ 31,327,868	$ 30,241,300	$ 31,929,184
Covered Payroll	$ 3,945,844	$ 4,496,730	$ 3,841,292	$ 4,387,831	$ 3,741,523	$ 4,313,833	$ 3,585,573
Total OPEB Liability as a Percentage of Covered Payroll	976.99%	878.02%	1154.42%	916.14%	837.30%	701.03%	890.49%

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND

Year Ended June 30, 2024

	Original Budget	Final Budget
REVENUES		
Local Sources		
Real Property Taxes	$ 8,266,406	$ 8,266,406
Other Tax Items	5,100	5,100
Charges for Services	1,000	1,000
Use of Money and Property	75,000	75,000
Sale of Property and Compensation for Loss	300	300
Miscellaneous	84,500	84,500
Total Local Sources	8,432,306	8,432,306
State Sources	3,800,706	3,800,706
Medicaid Reimbursement	-	-
Total Revenues	12,233,012	12,233,012
OTHER FINANCING SOURCES		
Appropriated Reserves	-	70,000
Total Revenues and Other Financing Sources	12,233,012	12,303,012
EXPENDITURES		
General Support		
Board of Education	19,210	32,238
Central Administration	182,800	193,123
Finance	186,610	210,498
Staff	55,950	72,840
Central Services	961,169	957,250
Special Items	417,803	525,608
Total General Support	1,823,542	1,991,557
Instruction		
Instruction, Administration and Improvement	223,900	255,988
Teaching - Regular School	2,747,726	2,754,686
Programs for Children with Handicapping Conditions	1,764,400	1,456,536
Occupational Education	79,448	79,000
Teaching - Special School	7,750	7,750
Instructional Media	596,580	561,171
Pupil Services	493,161	485,450
Total Instruction	5,912,965	5,600,581
Pupil Transportation	696,815	805,246
Employee Benefits	3,202,884	3,306,968
Debt Service	486,163	486,163
Total Expenditures	12,122,369	12,190,515
OTHER FINANCING USES		
Operating Transfers to Other Funds	124,000	125,854
Total Expenditures and Other Financing Uses	12,246,369	12,316,369
Net Change in Fund Balance	(13,357)	(13,357)
Fund Balances - Beginning	1,495,906	1,495,906
Fund Balances - End	$ 1,482,549	$ 1,482,549

Actual	Final Budget Variance With Actual
$ 7,881,766	$ (384,640)
391,248	386,148
24,582	23,582
142,393	67,393
17,102	16,802
295,925	211,425
8,753,016	320,710
4,169,147	368,441
27,661	27,661
12,949,824	716,812
-	(70,000)
12,949,824	$ 646,812

Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
24,147	$ -	$ 8,091
179,142	-	13,981
205,146	-	5,352
50,071	-	22,769
778,423	-	178,827
516,032	-	9,576
1,752,961	-	238,596
242,766	-	13,222
2,769,953	-	(15,267)
1,451,179	-	5,357
69,540	-	9,460
7,750	-	-
530,475	-	30,696
396,056	49	89,345
5,467,719	49	132,813
757,234	-	48,012
3,154,834	10,466	141,668
486,163	-	-
11,618,911	10,515	561,089
111,011	-	14,843
11,729,922	$ 10,515	$ 575,932
1,219,902		
1,495,906		
$ 2,715,808		

Note to Required Supplementary Information Budget Basis of Accounting: Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) - NYSLRS PENSION PLAN LAST TEN FISCAL YEARS

Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)										
District's Proportion of the Net Pension Asset (Liability)	0.019962%	0.019760%	0.019345%	0.020211%	0.020482%	0.019713%	0.019494%	0.019585%	0.020216%	0.021220%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (228,288)	$ (379,178)	$ 3,352,324	$ (558,491)	$ 532,120	$ 356,456	$ 148,174	$ (209,762)	$ 2,099,784	$ 2,363,734
District's Covered Payroll	$ 3,802,986	$ 3,599,899	$ 3,291,482	$ 3,430,487	$ 3,430,487	$ 3,422,627	$ 3,275,715	$ 3,172,585	$ 3,108,326	$ 3,099,844
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	6.00%	10.53%	101.85%	16.28%	15.51%	10.41%	4.52%	6.61%	67.55%	76.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	99.17%	98.57%	113.25%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
Employees' Retirement System (ERS)										
District's Proportion of the Net Pension Asset (Liability)	0.0041905%	0.0032711%	0.0031328%	0.0031497%	0.0031289%	0.0028735%	0.0026998%	0.0026081%	0.0028370%	0.0026588%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (617,008)	$ (701,449)	$ 256,097	$ (3,136)	$ (828,564)	$ (203,597)	$ (87,135)	$ (245,067)	$ (455,351)	$ (89,821)
District's Covered Payroll	$ 1,118,735	$ 1,029,904	$ 949,085	$ 1,013,814	$ 934,761	$ 814,678	$ 786,636	$ 737,754	$ 826,146	$ 829,047
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	55.15%	68.11%	26.98%	0.31%	88.64%	24.99%	11.08%	33.22%	55.12%	10.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

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

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - NYSLRS PENSION PLAN
LAST TEN FISCAL YEARS
Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)										
Contractually Required Contribution	$ 379,381	$ 343,057	$ 312,916	$ 303,941	$ 379,631	$ 328,143	$ 374,453	$ 421,959	$ 560,623	$ 530,194
Contributions in Relation to the Contractually Required Contribution	379,381	343,057	312,916	303,941	379,631	328,143	374,453	421,959	560,623	530,194
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 3,802,986	$ 3,599,899	$ 3,291,482	$ 3,430,487	$ 3,430,487	$ 3,422,627	$ 3,275,715	$ 3,172,585	$ 3,108,326	$ 3,099,844
Contributions as a Percentage of Covered Payroll	9.98%	9.53%	9.51%	8.86%	11.07%	9.59%	11.43%	13.30%	18.04%	17.10%
Employees' Retirement System (TRS)										
Contractually Required Contribution	$ 132,453	$ 116,221	$ 154,504	$ 145,075	$ 133,031	$ 120,657	$ 119,994	$ 107,356	$ 129,463	$ 126,039
Contributions in Relation to the Contractually Required Contribution	132,453	116,221	154,504	145,075	133,031	120,657	119,994	107,356	129,463	126,039
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,118,735	$ 1,029,904	$ 949,085	$ 1,013,814	$ 934,761	$ 814,678	$ 786,636	$ 737,754	$ 826,146	$ 829,047
Contributions as a Percentage of Covered Payroll	11.84%	11.28%	16.28%	14.31%	14.23%	14.81%	15.25%	14.55%	15.67%	15.20%

COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2024

	School Food Service	Extra Classroom Activity	Scholarships and Awards
ASSETS			
Cash and Cash Equivalents			
Unrestricted	$ 13,815	$ -	$ -
Restricted	-	27,075	37,020
Receivables			
Due From Other Funds	1,503	11,214	-
State and Federal Aid	20,882	-	-
Other	309	-	-
Inventories	6,242	-	-
TOTAL ASSETS	$ 42,751	$ 38,289	$ 37,020
LIABILITIES			
Payables			
Accounts Payable	$ 2,263	$ -	$ -
Accrued Liabilities	2,804	-	-
Due to Other Funds	-	-	3,053
Due to Other Governments	345	-	-
Total Liabilities	5,412	-	3,053
FUND BALANCES			
Nonspendable	6,242	-	-
Restricted	-	38,289	33,967
Assigned	31,097	-	-
Total Fund Balances	37,339	38,289	33,967
TOTAL LIABILITIES AND FUND BALANCES	$ 42,751	$ 38,289	$ 37,020

Capital Projects - Windows	Total Non-Major
$ -	$ 13,815
-	64,095
-	12,717
-	20,882
-	309
-	6,242
$ -	$ 118,060
$ -	$ 2,263
-	2,804
-	3,053
-	345
-	8,465
-	6,242
-	72,256
-	31,097
-	109,595
$ -	$ 118,060

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2024

	School Food Service	Extra Classroom Activity	Scholarships and Awards
REVENUES			
Use of Money and Property	$ 1	$ -	$ 1,261
State Sources	97,558	-	-
Federal Sources	160,511	-	-
Surplus Food	21,018	-	-
Sales - School Food Service	63,073	-	-
Miscellaneous	-	40,792	1,677
Total Revenues	342,161	40,792	2,938
EXPENDITURES			
Employee Benefits	83,575	-	-
School Food Service:			
General Support	106,259	-	-
Cost of Sales	160,622	-	-
Other Expenditures	-	36,721	1,875
Capital Outlay	-	-	-
Total Expenditures	350,456	36,721	1,875
Excess (Deficiency) of Revenues over Expenditures	(8,295)	4,071	1,063
OTHER FINANCING SOURCES			
Operating Transfers In	1,854	-	-
Total Other Financing Sources	1,854	-	-
Net Change in Fund Balances	(6,441)	4,071	1,063
Fund Balances - Beginning of Year	43,780	34,218	32,904
Fund Balances - End of Year	$ 37,339	$ 38,289	$ 33,967

Capital Projects - Windows	Total Non-Major
$ -	$ 1,262
-	97,558
-	160,511
-	21,018
-	63,073
-	42,469
-	385,891
-	83,575
-	106,259
-	160,622
-	38,596
86,469	86,469
86,469	475,521
(86,469)	(89,630)
86,469	88,323
86,469	88,323
-	(1,307)
-	110,902
$ -	$ 109,595

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
June 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 12,233,012
Add: Prior Year's Encumbrances	13,357
Original Budget	12,246,369
Budget Revision	70,000
Final Budget	$ 12,316,369

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2024-2025 Voter Approved Expenditure Budget		$ 13,156,711
Maximum Allowed 4% of 2024-2025 Budget		$ 526,268
General Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 358,998	
Unassigned Fund Balance	525,293	
Total Unrestricted Fund Balance	884,291	
Less:		
Appropriated Fund Balance	348,483	
Encumbrances Included in Assigned Fund Balance	10,515	
Total Adjustments	358,998	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 525,293
Actual Percentage		3.99%

SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES

Year Ended June 30, 2024

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures Prior Year	Expenditures Current Year	Expenditures Total	Unexpended Balance	Methods of Financing Proceeds Of Obligations	Methods of Financing Use of Money	Methods of Financing Local Sources	Total	Fund Balance 6/30/2024
District-Wide Project	$ 12,000,000	$ 12,000,000	$ 62,810	$ 568,704	$ 631,514	$ 11,368,486	$ -	$ 277,825	$ 5,117,159	$ 5,394,984	$ 4,763,470
Capital Outlay - Windows	100,000	100,000	6,427	86,469	92,896	7,104	-	-	92,896	92,896	-
Totals	$ 12,100,000	$ 12,100,000	$ 69,237	$ 655,173	$ 724,410	$ 11,375,590	$ -	$ 277,825	$ 5,210,055	$ 5,487,880	$ 4,763,470

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2024

Capital Assets, Net		$ 13,307,203
Add:		
Deferred Charge on Bond Refunding		50,307
Deduct:		
Premium on Obligation - Serial Bond	$ 18,442	
Short-Term Portion of Bonds Payable	475,000	493,442
Net Investment in Capital Assets		$ 12,864,068

FEDERAL AWARD PROGRAM INFORMATION

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
COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colton-Pierrepont 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 Colton-Pierrepont Central School District's basic financial statements and have issued our report thereon dated October 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Colton-Pierrepont 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 Colton-Pierrepont Central School District's internal control. Accordingly, we do not express an opinion of the effectiveness of Colton-Pierrepont 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 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Colton-Pierrepont 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Colton-Pierrepont Central School District's Response to Findings

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

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.

Bowers & Company

Watertown, New York
October 7, 2024

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

TO THE BOARD OF EDUCATION
COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

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

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

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

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

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.

Bowers & Company

Watertown, New York
October 7, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditures
U. S. Department of Education			
Passed-Through NYS Education Department:			
Title I Grants to Local Educational Agencies	84.010A	0021-24-2595	$ 94,279
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-24-0788	106,936
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-24-0788	4,604
Total Special Education Cluster			111,540
Education Stabilization Fund			
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-2595	195,598
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5883-21-2595	32,046
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5884-21-2595	149,342
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5882-21-2595	26,156
Total Education Stabilization Fund			403,142
Supporting Effective Instruction State Grants	84.367A	0147-24-2595	9,600
Student Support and Academic Enrichment Program	84.424A	0204-24-2595	10,000
Total Passed Through NYS Education Department			628,561
Direct Program:			
Rural Education	84.358B	S358A212985	38,169
Total Direct Program from U.S. Department of Education			38,169
Total U.S. Department of Education			666,730
Subtotal to Next Page			$ 666,730

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
Year Ended June 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditures
Subtotal from Previous Page			$ 666,730
U. S. Department of Agriculture			
Passed-Through NYS Education Department:			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555		12,134
Fresh Fruit and Vegetable Program	10.582		8,884
Non-Cash Assistance Subtotal			21,018
Cash Assistance			
National School Breakfast Program	10.553		37,545
COVID-19: Supply Chain Assistance	10.555		14,840
National School Lunch Program	10.555		101,597
Snack Program	10.555		2,019
Cash Assistance Subtotal			156,001
Total Child Nutrition Cluster			177,019
Local Food for Schools Cooperative Program	10.185		4,510
Child Nutrition Discretionary Grants	10.579	5805-23-0031	20,000
Total Passed Through NYS Education Department			201,529
Total U.S. Department of Agriculture			201,529
Total Federal Assistance			$ 868,259

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

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 accrual 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 periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

The District has elected to use the 10 percent de minimis 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 of the data presented.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

NOTE 3 – SUBRECIPIENTS

No amounts were provided to subrecipients.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

NOTE 4 – 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 5 – OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds is covered by the District's casualty insurance policies.

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

NOTE 6 – NON-MONETARY FEDERAL PROGRAM

The District is the recipient of federal award programs that do not result in cash receipts or disbursements. The District was granted $12,134 of commodities under the National School Lunch Program (Assistance Listing Number 10.555) and $8,884 of commodities under the Fresh Fruit and Vegetable Program (Assistance Listing Number 10.582).

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

NOTE A – SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Colton-Pierrepont Central School District.
2. One significant deficiency disclosed during the audit of the basic financial statements of Colton-Pierrepont Central School District is reported in the Schedule of Findings and Questioned Costs. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Colton-Pierrepont Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed during the audit of the major federal award programs of Colton-Pierrepont Central School District.
5. The auditor's report on compliance for the major federal award programs for Colton-Pierrepont Central School District expresses an unmodified opinion on the major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a) related to the major federal award programs for Colton-Pierrepont Central School District.
7. The Programs tested as major programs includes:

U.S. Department of Education	
Passed-Through NYS Education Department:	
Education Stabilization Fund:	
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U

8. The threshold for distinguishing between Types A and B programs was $750,000.
9. Colton-Pierrepont Central School District was determined to be a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

NOTE B – FINDINGS - FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL OVER FINANCIAL REPORTING

SIGNIFICANT DEFICIENCY

2024-001 Extra Classroom Activity Funds

Condition: Lack of controls and following of required guidelines for handling and reporting of Extra Classroom Activity Funds. Specific issues noted were as follows:

- Multiple clubs were improperly closed, and funds transferred into the General Fund and activity reported as income and expenses in the General Fund for the year. The clubs were still active Extraclassroom clubs and should have remained in the Extra Classroom Activity Fund. Material journal entries were required to move activity from the General Fund to the Extra Classroom Activities special revenue fund.
- Central Treasurer is not maintaining records to reconcile Extra Classroom Activities bank accounts to the allocation by Club.
- Student ledgers are not being maintained by all clubs and therefore, there is not a formal reconciliation process to verify club balances on a regular basis between the Central Treasurer and the Club advisors.
- Scholarship payments were made in error out of the Extra Classroom Activities account during the year.
- One club began the year in a deficit position and had no activity to recover the funds or close the club based on District policy during the year.
- Permission slip forms are not being completed to approve fundraisers before activities occur.
- Profit and loss forms are not being completed for all events or are not inclusive of all income and expenditures for each fundraiser. Forms selected for testing did not agree to club ledger activity to include all related transactions. Also, it was found that forms are not being signed by both Central Treasurer and Student Advisor.
- Advisors and Central Treasurer should review to ensure if any fundraisers held are subject to sales tax and if so, collected and remitted properly to New York State. Sales tax should be identified on the profit and loss form if collected and remitted.

Criteria: Management needs to have accounting procedures that conform to the Regulations of the Commissioner of Education (8 NYCRR Part 172) for the control of Extra Classroom Activity Funds.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

NOTE B – FINDINGS - FINANCIAL STATEMENT AUDIT -
Continued

INTERNAL CONTROL OVER FINANCIAL REPORTING

SIGNIFICANT DEFICIENCY

2024-001 Extra Classroom Activity Funds – Continued

Effect: Management is not properly accounting for Extra Classroom Activity Funds transactions and overall does not have adequate controls in place.

Recommendation: We recommend that management review all processes, procedures, and controls over the Extra Classroom Activity Funds and ensure procedures are in compliance with the Regulations of the Commission of Education as identified in the Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds manual issued by NYSED. The Central Treasurer should be tracking all clubs' balances on an individual basis and reconcile with the monthly bank reconciliation for cash in total for the Extraclassroom activity funds. Club ledgers should be maintained by the students and reconciled with the Central Treasurers ledger on a regular basis, and notably at year-end. Additional training should be provided to the Central Treasurer, whom then should provide annual training to all other advisors and treasurers involved. We also recommend that the District ensure the accounting of all Extra Classroom Activities Funds are recorded within the Special Revenue Fund. Also, outstanding balances due from the General Fund and Scholarships and Awards Fund should be transferred to the Extra Classroom Activity Fund.

Client Response: The District will implement these recommendations to the best of our ability. All of the clubs will be properly accounted for within the Special Revenue Fund, funds will be transferred from the general fund to cover the amount due, and we will ensure that appropriate reconciliations are done on a monthly basis. The Business Official, Nickolas Brouillette, will implement the respective changes by 6/30/2025.

NOTE C – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2024

NOTE A – FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings to report.

NOTE B – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings to report.

EXTRA CLASSROOM ACTIVITY FUNDS

INDEPENDENT AUDITOR'S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS

THE BOARD OF EDUCATION
COLTON-PIERREPONT CENTRAL SCHOOL DISTRICT

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Colton-Pierrepont Central School District for the year ended June 30, 2024, and the related note to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements of Extra Classroom Activity Funds of Colton-Pierrepont Central School District for the year ended June 30, 2024, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colton-Pierrepont Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 statement, which describes the basis of accounting. This financial statement is 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 Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance auditing standards generally accepted in the United States of America and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Colton-Pierrepont 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 Colton-Pierrepont 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.

Bowers & Company

Watertown, New York
October 7, 2024

EXTRA CLASSROOM ACTIVITY FUNDS - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2024

	Cash Balances 7/1/2023	Cash Receipts	Cash Disbursements	Cash Balances 6/30/2024
Class of:				
2021	$ 1,677	$ -	$ 1,677	$ -
2023	3,529	-	1,600	1,929
2024	10,364	6,339	14,561	2,142
2025	3,637	7,987	1,535	10,089
2026	2,280	2,180	50	4,410
2027	1,360	2,195	-	3,555
2028	1,360	3,774	2,166	2,968
Foreign Language	(569)	-	-	(569)
Green Team	368	-	368	-
Honor Society	2,127	413	350	2,190
Sales Tax	19	227	-	246
Student Government	570	20	-	590
Teaching Awareness Task Force	269	10	-	279
Tri-M	123	-	123	-
Yearbook Fund	1,093	14,097	11,378	3,812
Drama Club	6,030	3,550	2,932	6,648
Total	$ 34,237	$ 40,792	$ 36,740	$ 38,289

Ending cash balances consist of $27,075 within the Extra Classroom account and $11,214 due from the General Fund.

See extra classroom activity funds - note to financial statement.

EXTRA CLASSROOM ACTIVITY FUNDS - NOTE TO FINANCIAL STATEMENT
June 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Extra Classroom Activity Funds of Colton-Pierrepont Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management.

The accounts of the Extra Classroom Activity Funds of Colton-Pierrepont Central School District are maintained on a cash basis and the Statement of Cash Receipts and Disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets and accrued income and expenses, which would be recognized under generally accepted accounting principles and, which may be material in amount, are not recognized in the accompanying financial statement.

To the Board of Education
Colton-Pierrepont Central School District

In planning and performing our audit of the financial statements of Colton-Pierrepont Central School District (the District) for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding the matters. This letter does not affect our report dated October 7, 2024, on the financial statements of Colton-Pierrepont Central School District.

Condition: Immaterial Instance of Noncompliance: Grant Budget Amendments

All grants are to have an approved budget as well as approved amendments in the following situations:

- Personnel positions, number and type
- Equipment items having a unit value of $5,000 or more, number and type
- Minor remodeling
- Any increase in a budget subtotal (professional salaries, purchased services, travel, etc.) by more than 10 percent or $1,000, whichever is greater
- Any increase in the total budget amount.

During the prior year, it was found that the District had not obtained amendments for certain multiyear grants where expenses exceeded the approved budget as of June 30, 2023 and one still had not been filed as of June 30, 2024 and total expenditures to date exceeded the budgeted amount.

Recommendation

We recommend the District review all grants periodically during the year to ensure they are obtaining amendments before expenses exceed the approved budget plus any amendments. A budget amendment should be made for the specific grant before the grant period ends.

Management's Response

The District will complete a budget amendment for the ESSR 3 salary code allocation(s) and continue to monitor grant expenditures for the need to amendments in the future. The Business Official, Nickolas Brouillette, will do this by 9/30/2024.

Condition: General Journal Entries

During our review of internal controls and testing of manual general journal entries it was noted that there is a lack of control over the process and recording of journal entries with improper segregation of duties and entries are not under dual control.

Recommendation

We recommend that the District develop controls and a formal process over general journal entries, which should include dual control with required approvals on all entries, maintaining supporting documentation in a central location for all entries, and review by management of general journal entries recorded on a regular basis.

Management's Response

The District will adjust its internal controls so that general journal entries are approved by the Superintendent, Jim Nee, on a monthly basis. The Business Official, Nickolas Brouillette, will implement this process by 3/31/2025.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of the matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Education, and others within the District, and is not intended to be, and should not be used by anyone other than specified parties.

Bowers & Company

Watertown, New York
October 7, 2024

October 7, 2024

To the President and Members
of the Board of Education of the
Colton-Pierrepont Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colton-Pierrepont Central School District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 14, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Colton-Pierrepont Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by Colton-Pierrepont Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

> Management's estimate of the depreciation is based on economic useful lives of capital asset classes.
>
> Management estimates actuarial assumptions that are used to determine pension asset (liabilities) and annual pension cost for the year in accordance with GASB Statement No. 68.

Management estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.

We evaluated the methods, and assumptions, and data used to develop the estimated useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 7, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Colton-Pierrepont Central School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Colton-Pierrepont Central School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to *Management's Discussion and Analysis, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, the Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund, the Schedule of the District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan, and Schedule of District's Contributions – NYSLRS Pension Plan*, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the *Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and the Net Investment in Capital Assets*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Education and management of Colton-Pierrepont Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bowers & Company

Schedule 1: Material Misstatements Corrected by Management

Government-Wide

Non-Current Governmental Assets:

Adjusting Journal Entries JE # 2			
To adjust fixed assets per rollforward.			
K00102.00	Buildings	92,896.00	
K00104.00	Equipment	47,883.00	
K00104.01	Vehicles	282,642.00	
K00105.01	Construction in Progress	631,514.00	
K00114.00	Accumulated Depreciation - Equipment	181,780.00	
K00104.01	Vehicles		214,772.00
K00112.00	Accumulated Depreciation - Buildings		416,753.00
K00113.00	Accumulated Depreciation - Improvements Other Than Buildings		3,747.00
K00114.00	Accumulated Depreciation - Equipment		30,981.00
K00114.00	Accumulated Depreciation - Equipment		144,706.00
K00159.00	Total Non-Current Governmental Assets		425,756.00
Total		**1,236,715.00**	**1,236,715.00**

Adjusting Journal Entries JE # 3			
To adjust ERS & TRS deferred outflows to actual			
K00159.00	Total Non-Current Governmental Assets	397,479.00	
K00496.02	Deferred Outflow Resources- ERS	88,246.00	
K00496.01	Deferred Outflow Resources- TRS		485,725.00
Total		**485,725.00**	**485,725.00**

Adjusting Journal Entries JE # 4			
To adjust OPEB deferred outflow.			
K00159.00	Total Non-Current Governmental Assets	1,882,589.00	
K00496.03	Deferred Outflow of Resources-OPEB		1,882,589.00
Total		**1,882,589.00**	**1,882,589.00**

Non-Current Governmental Liabilities:

Adjusting Journal Entries JE # 1
To adjust bonds payable account balances to actual at yearend

W00627.00	Capital Notes Payable	455,000.00	
W00628	Bonds Payable	47,569.00	
W00129	Total Non-Current Governmental Liabilities		484,127.00
W00628.01	Premium On Obligations		18,442.00
Total		**502,569.00**	**502,569.00**

Adjusting Journal Entries JE # 4
To adjust OPEB accounts to actual

W00129	Total Non-Current Governmental Liabilities	4,922,781.00	
W00683	OPEB	931,592.00	
W00697.01	Deferred Inflows Resources - OPEB		5,854,373.00
Total		**5,854,373.00**	**5,854,373.00**

Adjusting Journal Entries JE # 5
To adjust ERS & TRS accounts to actual per GASB 68

W00129	Total Non-Current Governmental Liabilities	263,792.00	
W00638	Net Pension Liability TRS	852,339.00	
W00638.0	Net Pension Liability - ERS		617,008.00
W00697	Deferred Inflows of Resources, TRS		154,630.00
W00697.0	Deferred Inflows of Resources - ERS		344,493.00
Total		**1,116,131.00**	**1,116,131.00**

Fund Financial Statements

Capital Fund:

Adjusting Journal Entries JE # 1
To accrue bill for Bernier & Carr for services through 6/30/24

2110-245-00-2023H__	Architect Heating	60,444.00	
600.00	ACCOUNTS PAYABLE		60,444.00
Total		**60,444.00**	**60,444.00**

Other Special Revenue Fund:

Adjusting Journal Entries JE # 5			
To record Yearbook club activity, incorrectly run through A fund			
2989.400	Other Expenditures - Extraclassroom	11,378.00	
391.00	Due to Other Funds	2,719.00	
2770.000	Other Revenue - Extraclassroom		14,097.00
Total		**14,097.00**	**14,097.00**

FORM OF BOND COUNSEL'S OPINION

July 16, 2025

Colton-Pierrepont Central School District
4921 State Highway 56
Colton, New York 13625

Re: Colton-Pierrepont Central School District
St. Lawrence County, New York
$6,882,841 Bond Anticipation Notes, 2025 (Renewals)

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $6,882,841 Bond Anticipation Notes, 2025 (Renewals) (the "Notes") of Colton-Pierrepont Central School District, County of St. Lawrence, State of New York (the "District"). The Notes are dated July 16, 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 16, 2023 and a Certificate of Determination dated on or before July 16, 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