PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of WJ Marquardt PLLC, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) 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. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. 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 District will designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$4,410,000

UNION SPRINGS CENTRAL SCHOOL DISTRICT

CAYUGA COUNTY, NEW YORK

$4,410,000 Bond Anticipation Notes, 2024

Dated: July 24, 2024 **Due: July 24, 2025**

The Notes are general obligations of the Union Springs Central School District, Cayuga County, New York (the "District" or "School 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 the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the successful bidder(s), the Notes will be registered in the name of the purchaser in the denominations of $5,000 or multiples thereof, as determined by the successful bidder(s). 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, 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 opinion as to the validity of the Notes of WJ Marquardt PLLC, Skaneateles, New York, Bond Counsel to the School District. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey, as may be agreed upon, on or about July 24, 2024.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on July 9, 2024 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 27, 2024

THE SCHOOL 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 NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – C, MATERIAL EVENT NOTICES" HEREIN.

UNION SPRINGS CENTRAL SCHOOL DISTRICT

CAYUGA COUNTY , NEW YORK

SCHOOL DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

ROBIN MCKAY
President

DANIEL TESTA
Vice President

JEFFREY CULVER
ANN MARIE DAUM
ROSS LAWTON
CAROL QUILL
BARRY SCHWARTING
ERIN TONES
VACANT

* * * * * * * * *

ADMINISTRATION

DR. JARETT POWERS
Superintendent of Schools

MICHAEL G. WURSTER
Assistant Superintendent

VALERIE CASTIGLIA
District Clerk

LESA BUSSMANN
District Treasurer

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

WJ MARQUARDT PLLC
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
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OFFICIAL STATEMENT

of the

UNION SPRINGS CENTRAL SCHOOL DISTRICT

CAYUGA COUNTY, NEW YORK

Relating To

$4,410,000 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page, has been prepared by the Union Springs Central School District, Cayuga County, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $4,410,000 principal amount of Bond Anticipation Notes, 2024 (the "Notes").

The factors affecting the School 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 School 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 School 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 School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

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, subject to applicable statutory limitations.

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.

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon.

The Notes will be dated July 24, 2024 and will mature, without option of prior redemption, on July 24, 2025. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) registered form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof may be determined by the successful bidder or (ii) at the option of the purchaser, as registered book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law, or the School 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 discontinued, the following provisions will apply:

The Notes will be registered in the name of the purchaser in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named by the School District.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on December 12, 2022, authorizing a capital improvement project having a maximum estimate cost of $2,815,000 and further authorizing the issuance of bonds and notes in the aggregate principal amount not to exceed $1,815,000. A $1,815,000 portion of the Notes will provide new money against this authorization. The Notes are also authorized in part by a bond resolution adopted by the Board of Education on May 22, 2023, authorizing an additional capital improvement project having a maximum estimate cost of $3,210,000 and further authorizing the issuance of bonds and notes in the aggregate principal amount not to exceed $2,595,000. A $2,595,000 portion of the Notes will provide new money against the Bond Resolution adopted on May 22, 2023.

THE SCHOOL DISTRICT

General Information

The Union Springs Central School District, centralized in 1936, is located in the Towns of Aurelius, Fleming, Ledyard, Scipio and Springport in Cayuga County. The Villages of Union Springs and Cayuga lie completely within the School District, which covers approximately 83 square miles. The location of the School District is roughly 35 miles southwest of Syracuse and 35 miles north of Ithaca.

Transportation is provided by New York State Routes 5, 90, 326 and 34, and by U.S. Route 20. Access to the New York State Thruway is available some 20 miles to the north at Weedsport. Bus service is available in nearby Auburn, while air transportation would be accessed in Syracuse or Ithaca.

Water and sewer services are provided on a limited basis by the Villages and Towns, with other residents using private wells and septic systems. Electricity and natural gas are available from New York State Electric & Gas Corporation, and telephone service from Verizon New York, Inc. Police protection is provided by the Cayuga County Sheriff's Department and the New York State Police. Fire protection and ambulance service are provided by various local volunteer groups.

The area is a mix of rural and residential areas; however, its location on the northeastern shore of Cayuga Lake also makes it a popular vacation spot. Most residents find employment in the Auburn, Ithaca and Syracuse areas.

The School District provides public education for grades Pre-K-12. Opportunities for higher education include Wells College in Aurora, Cayuga Community College in Auburn, Cornell University and Ithaca College in Ithaca and Syracuse University in Syracuse.

Residents find basic commercial services in the Villages of Union Springs and Cayuga, as well as in Auburn. Banking services are provided by the Cayuga Lake National Bank and Generations Bank in Union Springs.

Source: District officials.

Population

The estimated population of the School District is estimated to be approximately 6,272. (Source: 2022 U.S. Census Bureau).

Major Employers

Name	Type	Approximate Number of Employees
D&W Diesel	Manufacturing	310
TRW	Manufacture/Automotive Supplier	205
Union Springs Central School District	Public Education	161
Bass Pro Shop	Retail	143
Kohl's	Retail	110
Home Depot	Retail/Home Improvement	90

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2018-2022	2006-2010	2016-2020	2018-2022
Towns of:						
Aurelius	$ 29,332	$ 39,130	$ 46,957	$ 68,710	$ 79,079	$ 100,417
Fleming	31,395	40,985	48,986	63,676	98,092	105,536
Ledyard	18,191	33,872	34,349	63,864	83,056	89,063
Scipio	23,719	29,526	37,053	70,147	81,477	102,634
Springport	24,383	39,128	48,763	64,327	85,045	114,712
Counties of:						
Cayuga	22,959	30,996	35,579	58,761	73,590	85,900
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note:2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2018-2022 American Community Survey 5-Year data.

Unemployment Rate Statistics

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

	Annual Averages						
	2017	2018	2019	2020	2021	2022	2023
Cayuga County	5.0%	4.4%	4.1%	7.6%	4.7%	3.4%	3.6%
New York State	4.6%	4.1%	3.9%	9.8%	7.0%	4.3%	4.2%

	2024 Monthly Figures						
	Jan	Feb	Mar	Apr	May	June	July
Cayuga County	4.6%	4.6%	4.3%	3.8%	N/A	N/A	N/A
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	N/A	N/A

Source: Certain unemployment rates for May through July 2024 are not available as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of nine members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the 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 elected by the Board members.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education of the School District 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 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 School District must mail a school budget notice to all qualified voters which contains the total budgeted 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 budget 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 School District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) 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 increase 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 also must receive at least 60% voter approval.

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

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

Recent Budget Vote Results

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023. The School District's 2023-24 Budget remained within the School District Tax Cap imposed by Chapter 97.

The adopted budget for the 2024-2025 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 303 to 55. The District's adopted budget for the 2024-2025 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The adopted budget called for a total tax levy increase of 3.40%, which was below the District's tax levy limit of 4.07%.

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 deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with 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) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the 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 a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) obligations of the State of New York, (2) Obligations of the United States Government or any obligations for which principal and interest are fully guaranteed by the United States Government (3) Time Deposit Accounts placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law, (4) Transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized by law, (5) Certificates of Deposits placed in a commercial bank authorized to do business in the State of New York, providing the Certificates are collateralized by law.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2024-25 fiscal year, approximately 55.55% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See 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 and 2021 to 2023 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 adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State Budget which was not adopted until May 3, 2023 and the 2025-26 State Budget which was not adopted until April 20, 2024. 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.

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 2024-2025 preliminary building aid ratios, the District expects to receive State building aid of approximately 78.5% 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

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State aid, in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Enacted 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 Enacted Budget included $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 Enacted Budget also included $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, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget 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 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%, which was the highest level of State aid to date. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional $150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* ("CFE") 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 CFE decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in Foundation Aid over a four fiscal year phase-in covering 2007 to 2011.

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

The foundation aid formula is being reviewed for potential revisions. Any revisions to the formula could result in less State aid to the District.

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2018-2019	$18,527,946	$10,249,755	55.32%
2019-2020	19,878,669	11,272,058	56.70
2020-2021	18,601,290 (1)	9,475,123	50.94
2021-2022	20,319,278 (1)	10,649,270	52.41
2022-2023	20,495,903	11,761,985	57.39
2023-2024 (Budgeted)	21,242,539 (1)	12,198,580	57.43
2023-2024 (Unaudited)	21,392,539	11,795,300	55.14
2024-2025 (Budgeted)	21,090,750	11,716,736	55.55

(1) Includes interfund transfers.

Source: Audited Financial Statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal year, the adopted budget and unaudited figures for the 2023-2024 fiscal year and adopted budget figures for the 2024-2025 fiscal year. This table is not audited.

Note: The unaudited figures for the 2023-2024 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

School Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Construction Date/Date of Last Addition/Alteration
A.J. Smith Elementary	Pre-K-5	425	1967/2020
Junior-Senior High	6-12	700	1936/2023
Old Stone School House	------	24	1853/2009

Source: District officials.

Enrollment Trends

School Year	Total Enrollment	School Year	Projected Enrollment
2019-20	816	2024-25	733
2020-21	806	2025-26	732
2021-22	772	2026-27	705
2022-23	769	2027-28	702
2023-24	740	2028-29	697

Source: District officials.

Employees

The District employs a total of approximately 158 full-time employees and 3 part-time employees with representation by various unions as follows:

Employees Represented	Union Representation	Contract Expiration Date
83	Union Springs Teachers' Association (NYSUT)	June 30, 2027
29	Union Springs Clerical & Secretarial Association (SEIU/AFL-CIO)	June 30, 2025
37	CSEA Local 1000 (CSEA/AFL-CIO)	June 30, 2025
4	Union Springs Administrators’ Association (SAANYS)	June 30, 2025
8	Management Confidential	June 30, 2025

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. Other than those in Tier V and Tier VI (as described below), all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2019-2020 through and including 2023-2024 and budget figures for the 2024-2025 fiscal years are as follows:

Fiscal Year	ERS	TRS
2019-2020	$ 170,227	$ 625,903
2020-2021	193,747	635,301
2021-2022	175,349	695,019
2022-2023	162,178	750,103
2023-2024	194,377	794,848
2024-2025 (Budgeted)	247,533	798,172

Source: District records.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2024-25) 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	10.02 (1)

(1) Estimated.

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

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

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

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

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

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

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

Other Post-Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2017, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with the Burke Group to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years fiscal years, by source.

Balance beginning at June 30:	2021	2022
Changes for the year:	$ 17,614,837	$ 18,141,118
Service cost	477,637	473,917
Interest	437,369	411,971
Changes in benefit terms	13,618	-
Differences between expected and actual experience	(305,547)	1,145,818
Changes in assumptions or other inputs	359,813	(1,670,927)
Benefit payments	(456,609)	(466,553)
Net Changes	$ 526,281	$ (105,774)
Balance ending at June 30:	2022	2023
	$ 18,141,118	$ 18,035,344

Source: Audited Financial Statements. The above table is not audited. For additional information see "APPENDIX – D" attached hereto.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2022 and June 30, 2023.

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

Anticipated Unaudited Results for Fiscal Year Ending June 30, 2024

The District expects to end the fiscal year ending June 30, 2024 with an unassigned fund balance of $822,411.

Summary anticipated unaudited information for the General Fund for the period ending June 30, 2024 is as follows:

Revenues:	$ 21,392,539
Expenditures:	21,392,539
Excess (Deficit) Revenues Over Expenditures:	$ 0
Beginning Fund Balance June 30, 2023:	$ 5,243,937
Total Estimated Fund Balance at June 30, 2024:	$ 4,110,438

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

Source: District officials.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on September 2, 2022. The purpose of the audit was to determine whether District officials established adequate controls to safeguard personal, private and sensitive information (PPSI) on mobile computing devices (MCDs).

Key Findings:

District officials did not adequately safeguard MCDs to help prevent unauthorized access to PPSI. In addition to sensitive information technology (IT) control weaknesses that were communicated confidentially to officials, the State Comptroller's office found:

- District officials did not establish sufficient procedures, such as establishing a District-wide data classification matrix and inventorying PPSI in their possession, to help ensure the proper safeguarding of PPSI on MCDs.
- Fourteen of the 20 District-owned MCDs we examined contained PPSI that was not adequately safeguarded.

Key Recommendations:

District officials and IT staff should:

- Develop comprehensive written procedures to help ensure PPSI on MCDs is adequately protected, which outline proper access, transmission, storage and use of PPSI.
- Establish a data classification matrix that assigns the appropriate security level to each type of data, then conduct an inventory of PPSI stored on electronic devices, and ensure this list is updated on an ongoing basis.

District officials generally agreed with the State Comptroller's office recommendations and indicated they plan to initiate corrective action. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

As of the date of this Official Statement, there are no other State Comptroller's audits within the last five years of the District, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

State Comptroller's Fiscal Stress Monitoring System

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

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

The classification of the District for the most recent available fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2023	No Designation	0.0
2022	No Designation	3.3
2021	No Designation	3.3

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Aurelius	$ 209,572,847	$ 209,946,710	$ 210,620,905	$ 286,741,239	$ 290,419,833
Fleming	60,923,059 [1]	61,462,169	62,220,064	62,239,670	61,839,060
Ledyard	24,415,067	23,950,510	23,275,986	31,319,905	31,405,714
Scipio	5,475,111	5,493,858	5,411,263	5,368,813	5,521,852
Springport	176,365,741	175,263,954	250,541,557	252,993,476	298,563,841 [2]
Total Assessed Values	$ 476,751,825	$ 476,117,201	$ 552,069,775	$ 638,663,103	$ 687,750,300
State Equalization Rates					
Towns of:					
Aurelius	83.00%	83.00%	81.00%	100.00%	90.00%
Fleming	100.00%	100.00%	100.00%	92.00%	74.00%
Ledyard	91.00%	87.00%	82.00%	100.00%	94.00%
Scipio	97.00%	92.00%	92.00%	83.00%	76.00%
Springport	76.50%	68.00%	100.00%	99.00%	100.00%
Equalized Value:					
Towns of:					
Aurelius	$ 252,497,406	$ 252,947,843	$ 260,025,808	$ 286,741,239	$ 322,688,703
Fleming	60,923,059	61,462,169	62,220,064	67,651,815	83,566,297
Ledyard	26,829,743	27,529,321	28,385,348	31,319,905	33,410,334
Scipio	5,644,444	5,971,584	5,881,807	6,468,449	7,265,594
Springport	230,543,452	257,741,108	250,541,557	255,548,965	298,563,841
Total Equalized Valuation	$ 576,438,104	$ 605,652,025	$ 607,054,584	$ 647,730,373	$ 745,494,769

(1) Change from previous year due to change in assessment procedures to "market" or "full" value.
(2) Change from previous year due to town-wide revaluation.

Note: Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law. Table not audited.

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Aurelius	$ 16.01	$ 15.43	$ 15.78	$ 12.15	$ 11.95
Fleming	13.29	12.82	12.79	13.20	14.55
Ledyard	14.60	14.73	15.60	12.15	11.45
Scipio	13.70	13.93	13.90	14.63	14.17
Springport	17.37	18.83	12.79	12.27	10.77

Note: Includes both the District and the Springport library combined

Tax Collection Procedure

School taxes are due September 1. If paid by October 4, no penalty is imposed. There is a 2% penalty if paid by November 4. On or about November 15, a list of all unpaid taxes is given to the County for relevy on County/Town tax rolls. The School District is reimbursed by the County for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

The School District and Board of Education continue to take a conservative approach to maintaining fiscal resources to safeguard assets and student programs through prudent budgeting each and every year.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy	$ 7,660,389	$ 7,757,660	$ 7,763,225	$ 7,861,310	$ 7,965,935
Amount Uncollected (1)	311,418	297,568	298,473	569,985	434,371
% Uncollected	4.07%	3.84%	3.84%	7.25%	5.45%

(1) The District taxes are made whole by the County. See "Tax Collection Procedure" above.

Major Taxpayers 2023 Assessment Roll for 2023-2024 Tax Roll

Name	Type	Taxable Full Valuation
Cayuga Dairy, LLC	Manufacturer	$ 21,688,463
New York State Electric & Gas Corporation	Utility	19,510,397
NECG Fingerlakes LLC	Retail	18,693,222
D&W Diesel Realty, LLC	Manufacturer	7,872,222
Spruce Haven Farms, LLC	Agricultural	6,953,889
O'Hara Farms Inc.	Agricultural	5,985,478
Kohls	Retail	5,555,556 (1)
Cayuga Nation of New York	Independent Nation	4,903,667
VACHI Fingerlakes, LLC	Retail	4,406,333
Grandview Beach Co-Op Corp.	Marina	3,571,700

(1) Has filed a tax certiorari claim in the Town of Aurelius for the 2023 assessment. The outcome is unknown at the time; however, the District has reserved for said tax certiorari claims. (See “LITIGATION” section herein.)

The larger taxpayers listed above have a total taxable full valuation of $99,140,927, which represents 13.30% of the tax base of the District for the 2023-2024 fiscal year.

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

Source: District officials.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

The estimated total annual property tax bill of a $100,000 market value residential property located in the School District is approximately $1833 including County, Town, School District and Fire District taxes.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. 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 one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

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

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
Aurelius	$ 75,600	$ 27,430	4/9/2024
Fleming	84,000	30,000	4/9/2024
Ledyard	78,960	28,200	4/9/2024
Scipio	84,000	30,000	4/9/2024
Springport	84,030	30,970	4/9/2024

$638,931 of the District's $7,934,387 school tax levy for the 2023-2024 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2024.

Approximately $575,554 of the District's $8,204,156 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2025.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Property Taxes
2018-2019	$18,527,946	$7,746,824	41.81%
2019-2020	19,878,669	7,792,175	39.20
2020-2021	18,601,290 (1)	7,902,882	42.49
2021-2022	20,319,278 (1)	7,923,317	38.99
2022-2023	20,495,903	8,013,348	39.10
2023-2024 (Budgeted)	21,242,539 (1)	8,111,788	38.19
2023-2024 (Unaudited)	21,392,539	7,934,387	37.09
2024-2025 (Budgeted)	21,090,750	8,204,156	38.90

(1) Includes interfund transfers.

Source: Audited Financial Statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal year, the adopted budget and unaudited figures for the 2023-2024 fiscal year and proposed budgeted figures for the 2024-2025 fiscal year. This table is not audited.

Note: The unaudited figures for the 2023-2024 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

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.)

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; legislation has since made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases or 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.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must have provided certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, and was signed into law by the Governor on June 26, 2015. The program began in 2016 and was fully phased in 2019.

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

Except for certain short-term indebtedness contracted for non-capital purposes, 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 period of probably usefulness of the object or purpose determined by statute. Such period may be limited to a shorter maturity, however, by the proceedings adopted by the School District authorizing the obligations; no installment may be more than fifty per centum in excess of the smallest prior installment; unless substantially level or declining debt service is utilized, no installment maybe more than fifty per centum in excess of the smallest prior installment. The School District is required to provide an annual appropriation for the payment of interest during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and its obligations issued in anticipation of the issuance thereof.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the School 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.

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

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the School 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 School District obligations.

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

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

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

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

Except on rare occasions the School District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel for bond issues, but it is not an absolute legal requirement.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ended June 30th:	2019	2020	2021	2022	2023
Bonds	$ 9,755,000	$ 8,005,000	$ 7,275,000	$ 6,530,000	$ 14,810,000
Bond Anticipation Notes	0	9,900,000	10,970,000	10,465,000	0
Revenue Anticipation Notes	0	4,500,000	0	0	0
Leases (1)	0	0	0	405,531	276,886
Total Debt Outstanding	$9,755,000	$22,405,000	$18,245,000	$ 17,400,531	$ 15,086,886

(1) Implementation of GASB 87 beginning fiscal year ending June 30, 2022.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds as of June 27, 2024:

Type of Indebtedness	Maturity		Amount Outstanding
Bonds	2024-2038		$ 13,690,000
Bond Anticipation Notes			0
		Total Indebtedness	$ 13,690,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 27, 2024:

Full Valuation of Taxable Real Property			$ 745,494,769
Debt Limit 10% thereof			74,549,476
Inclusions:			
Bonds	$ 13,690,000		
Bond Anticipation Notes	0		
Total Inclusions prior to issuance of the Notes		$13,690,000	
New money proceeds of the Note		4,410,000	
Total Net Inclusions after issuance of the Notes		$18,100,000	
Exclusions:			
Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$18,100,000
Net Debt-Contracting Margin			$56,449,476
The percent of debt contracting power exhausted is			24.28%

(1) Based on preliminary 2024-2025 building aid estimates, the District anticipates State Building aid of 78.5% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

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

Bonded Debt Service

A schedule of bonded debt service may be found attached hereto as APPENDIX - B.

Capital Project Plans

On December 6, 2022, the District voters approved a proposition for a $2,815,000 capital improvement project. The project will consist of the reconstruction and renovation of, and the construction of improvements and upgrades to various School District buildings and facilities and the sites thereof. A $1,815,000 portion of the Notes will provide new money against this authorization.

On May 16, 2023, the District voters approved a proposition for a $3,210,000 capital improvement project. The project will consist of the reconstruction and renovation of, and the construction of improvements and upgrades to, various School District buildings and facilities and the sites thereof. A $2,595,000 portion of the Notes will provide new money against this authorization.

On May 21, 2024, the District voters approved the proposition authorizing $1,450,000 for a capital improvement project consisting of the reconstruction and renovation of, and the construction of improvements, additions and upgrades to the District's Middle/High School building and campus and also approved the use of $394,000 from the District's capital reserve for this project. The District anticipates borrowing in the summer of 2025 against this authorization.

As of the date of this Official Statement, there are presently no other capital projects authorized and unissued by the District, nor are any contemplated.

Cash Flow Borrowings

The District historically does not issue tax anticipation notes. The District issued a $4,500,000 Revenue Anticipation Note on June 15, 2020. Said note matured and was paid in full on October 30, 2020. The District does not reasonably anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Cayuga	6/29/2023	$ 13,885,000 [3]	$ -	$ 13,885,000	10.83%	$ 1,503,746
Town of:						
Aurelius	12/31/2022	5,061,730 [4]	- [5]	5,061,730	99.20%	5,021,236
Fleming	12/31/2022	2,400,000 [4]	- [5]	2,400,000	25.32%	607,680
Ledyard	12/31/2022	- [4]	- [5]	-	11.18%	-
Scipio	12/31/2022	- [4]	- [5]	-	3.75%	-
Springport	12/31/2022	5,304,887 [4]	- [5]	5,304,887	100.00%	5,304,887
Village of:						
Cayuga	5/31/2022	4,564,300 [4]	- [5]	4,564,300	100.00%	4,564,300
Union Springs	5/31/2022	2,255,000 [4]	- [5]	2,255,000	100.00%	2,255,000
					Total:	$ 19,256,849

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

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

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

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

(5) Information regarding excludable debt not available.

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Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 27, 2024:

	Amount Indebtedness	Per Capita [a]	Percentage of Full Valuation [b]
Net Indebtedness [c]	$ 18,100,000	$ 2,885.84	2.42%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	37,356,849	5,956.13	5.01

(a) The current estimated population of the District is 6,272. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for the 2023-2024 is $745,494,769. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
a) See "Debt Statement Summary" herein for the calculation of Net Direct Indebtedness.
b) Estimated Overlapping Indebtedness is $19,256,849. (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

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.

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 shall not exceed nine per centum per annum. 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 or interest on the Notes.

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.

The Federal Bankruptcy Code allows public bodies 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these provisions do not apply to School Districts, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the School District.

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

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 School District will enter into a Material Event Notices Certificate, a summary of which is attached hereto as "APPENDIX – C."

Historical Compliance

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

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 District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State or in other jurisdictions of 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 in other jurisdictions of the country or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

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

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the operations of the school budget, its ratings and hence 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 Bonds 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 Bonds 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.

CAYUGA INDIAN NATION LAND TRUST

In April 2005, the Cayuga Indian Nation applied to Bureau of Indian Affairs ("BIA") to transfer its fee title to certain parcels within Cayuga and Seneca County to the federal government. The application was made pursuant to the "land into trust" section of the Indian Reorganization Act 25 U.S.C. § 465 and 25 CFR, Part 151. The Nation obtained the right to exercise sovereignty over these newly acquired lands and remove them from the tax rolls. There are various parcels included in this land trust that are located within Seneca and Cayuga Counties. The portions of these lands that are located within the Union Springs School District consist of approximately 294 acres in total and were taxed at a total of approximately $47,512.25 on the District's 2023-24 school tax levy.

Despite the objections of several parties including the School District, the BIA granted the Nation's trust application on or about April 28, 2023. It is unknown what specific effects, if any, the granting of the trust application will have on the School District's operations. It is known that the School District received natural gas from a well situated on one a parcel of land owned by the Nation that is being placed into trust. Since the granting of the trust application, the Nation has filed a Notice of Claim asserting the right to receive royalties from the gas well dating back to 2005. The Nation has not initiated litigation over its claims as of the date of this statement and the School District remains engaged with the Nation seeking an amicable resolution to this and any other issues arising from the granting of the trust application.

Source: School District officials.

LITIGATION

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

Source: School District officials.

TAX MATTERS

In the opinion of WJ Marquardt PLLC, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) 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. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. 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. 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.

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

WJ Marquardt PLLC expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including, but not limited to, the financial information in this Official Statement.

RATING

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "AA-" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, 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 rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the District's outstanding serial bonds may have an adverse effect on the market price of the bonds.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

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 School District management's beliefs as well as assumptions made by, and information currently available to, the School 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 School District's files with the repositories. When used in Dundee Central School 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.

WJ Marquardt PLLC, Skaneateles, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the 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 School 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 School 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 School District and may not be reproduced or used in whole or in part for any other purpose.

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the School 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 School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the School District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District will act as Paying Agent for the Notes. The District's contact information is as follows: Michael G. Wurster, Assistant Superintendent, 239 Cayuga Street, Union Springs, New York 13160 Phone: (315) 889-4157, Fax: (315) 889-4133, Email: mwurster@unionspringscsd.org.

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

UNION SPRINGS CENTRAL SCHOOL DISTRICT

Dated: June 27, 2024

ROBIN MCKAY
PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 851,112	$ 4,710,900	$ 1,351,447	$ 1,394,754	$ 971,097
Restricted Cash	1,850,103	1,520,218	3,073,332	5,484,941	5,080,447
Accounts Receivable	-	-	-	-	-
Due from Other Funds	480,666	481,508	501,208	1,190,026	449,080
Due from Fiduciary Funds	17,592	17,592	-	-	-
Due from Other Governments	843,147	970,289	979,169	1,016,732	-
State and Federal Aid Receivable	489,589	221,372	401,041	825,526	1,355,592
Prepaid Expenses	-	194,500	-	-	-
Other Receivables	68,099	357,370	97,606	55,226	77,580
TOTAL ASSETS	$ 4,600,308	$ 8,473,749	$ 6,403,803	$ 9,967,205	$ 7,933,796
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 142,289	$ 102,219	$ -	$ 19,287	$ 120,181
Accrued Liabilities	33,553	12,485	33,120	16,597	53,853
Revenue Anticipation Notes Payable	-	4,500,000	-	-	-
Due to Other Funds	36,217	41,860	13,160	628,184	935
Due to Teachers' Retirement System	774,051	661,152	671,871	729,066	790,747
Due to Employees' Retirement System	43,120	44,732	53,520	38,112	48,594
Compensated Absences	12,863	30,260	13,919	25,045	25,045
Other Liabilities	-	-	-	-	-
Overpayments	67,226	27,204	-	-	-
Unearned Revenues	-	-	-	-	-
Deferred Revenues	774,455	578,090	1,355,336	1,606,774	1,151,866
TOTAL LIABILITIES	1,883,774	5,998,002	2,140,926	3,063,065	2,191,221
FUND EQUITY					
Nonspendable	$ -	$ 194,500	$ -	$ -	$ -
Restricted	1,849,503	1,479,358	2,880,473	5,461,436	3,984,525
Unreserved:					-
Assigned	130,459	141,805	642,862	655,604	510,065
Unassigned	736,572	660,084	739,542	787,100	1,247,985
TOTAL FUND EQUITY	2,716,534	2,475,747	4,262,877	6,904,140	5,742,575
TOTAL LIABILITIES and FUND EQUITY	$ 4,600,308	$ 8,473,749	$ 6,403,803	$ 9,967,205	$ 7,933,796

Source: Audited financial reports of the School District. The appendix itself is not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 7,544,753	$ 6,819,604	$ 7,678,225	$ 7,678,225	$ 7,778,810
Other Tax Items	202,071	972,551	224,657	245,092	234,538
Charges for Services	44,037	56,799	34,061	72,782	121,148
Use of Money & Property	49,179	76,234	42,850	41,475	259,659
Sale of Property and Compensation for Loss	45,749	-	6,486	-	27,009
Miscellaneous	269,934	606,066	568,193	462,351	312,754
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	10,249,755	11,272,058	9,475,123	10,649,270	11,761,985
Revenues from Federal Sources	122,468	75,357	229,640	132,612	-
Total Revenues	$18,527,946	$19,878,669	$18,259,235	$19,281,807	$ 20,495,903
Other Sources:					
Interfund Transfers	-	-	342,055	1,037,471	-
Total Revenues and Other Sources	18,527,946	19,878,669	18,601,290	20,319,278	20,495,903
EXPENDITURES					
General Support	$ 2,520,314	$ 2,557,591	$ 2,497,984	$ 2,361,518	$ 3,176,047
Instruction	9,986,356	10,421,629	9,512,961	9,058,593	10,386,882
Pupil Transportation	766,037	932,981	641,322	908,004	995,410
Community Services	-	-	-	16,488	14,349
Employee Benefits	3,315,243	3,247,499	3,278,344	3,342,485	3,547,241
Debt Service	1,485,735	2,050,910	870,389	1,899,755	1,671,257
Total Expenditures	$18,073,685	$19,210,610	$16,801,000	$17,586,843	$ 19,791,186
Other Uses:					
Interfund Transfers	200,000	908,846	13,160	91,172	-
Total Expenditures and Other Uses	18,273,685	20,119,456	16,814,160	17,678,015	19,791,186
Excess (Deficit) Revenues Over Expenditures	254,261	(240,787)	1,787,130	2,641,263	704,717
FUND BALANCE					
Fund Balance - Beginning of Year	2,462,273	2,716,534	2,475,747	4,262,877	6,904,140
Prior Period Adjustments (net)	-	-	-	-	(1,866,282) (1)
Fund Balance - End of Year	$ 2,716,534	$ 2,475,747	$ 4,262,877	$ 6,904,140	$ 5,742,575

Notes:
(1) Prior period adjustment.

Source: Audited Financial Reports of the School District. The appendix itself is not audited.

GENERAL FUND

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

Fiscal Years Ending June 30:	2023			2024	2025
	Original Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 7,778,810	$ 7,072,910	$ 7,066,229	$ 7,879,935	$ 8,204,156
Other Tax Items	194,210	900,110	947,119	231,853	-
Charges for Services	-	-	121,148	-	-
Use of Money & Property	48,000	48,000	259,659	270,000	-
Sale of Property and Compensation for Loss	10,000	10,000	27,009	-	-
Miscellaneous	300,183	300,183	312,754	461,250	1,169,858
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	11,458,842	11,458,842	11,761,985	12,198,580	11,716,736
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	$19,790,045	$19,790,045	$20,495,903	$21,041,618	$ 21,090,750
Other Sources:					
Interfund Transfers	392,000	687,604	-	200,921	-
Total Revenues and Other Sources	20,182,045	20,477,649	20,495,903	21,242,539	21,090,750
EXPENDITURES					
General Support	$ 2,644,560	$ 3,379,304	$ 3,176,047	$ 3,011,650	$ 2,218,518
Instruction	11,140,746	10,650,294	10,386,882	11,263,023	12,387,237
Pupil Transportation	888,009	1,234,203	995,410	1,079,142	1,088,963
Community Services	27,080	13,379	14,349	-	-
Employee Benefits	3,948,062	3,633,912	3,547,241	3,924,303	3,643,094
Debt Service	1,533,588	1,566,557	1,671,257	2,114,421	1,752,938
Total Expenditures	$20,182,045	$20,477,649	$19,791,186	$21,392,539	$ 21,090,750
Other Uses:					
Interfund Transfers	-	-	-	-	-
Total Expenditures and Other Uses	20,182,045	20,477,649	19,791,186	21,392,539	21,090,750
Excess (Deficit) Revenues Over Expenditures	-	-	704,717	(150,000)	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	6,904,140	150,000	-
Prior Period Adjustments (net)	-	-	(1,866,282)	-	-
Fund Balance - End of Year	$ -	$ -	$ 5,742,575	$ -	$ -

Source: Audited financial report and budgets (unaudited) of the School District. The appendix itself is not audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	$ 1,120,000	$ 757,034.03	$ 1,877,034.03
2025	1,170,000	582,937.50	1,752,937.50
2026	1,205,000	537,981.25	1,742,981.25
2027	1,215,000	490,912.50	1,705,912.50
2028	1,075,000	442,700.00	1,517,700.00
2029	1,125,000	397,750.00	1,522,750.00
2030	1,165,000	350,600.00	1,515,600.00
2031	1,215,000	301,650.00	1,516,650.00
2032	1,260,000	250,400.00	1,510,400.00
2033	1,315,000	197,200.00	1,512,200.00
2034	1,135,000	141,550.00	1,276,550.00
2035	895,000	90,500.00	985,500.00
2036	915,000	45,750.00	960,750.00
TOTALS	$ 14,810,000	$ 4,586,965	$ 19,396,965

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2009 $1,532,236 Serial Bond Principal	Interest	Total	2010 $500,000 Serial Bond Principal	Interest	Total
2024	$ 135,000	$ 6,037.50	$ 141,037.50	$ 40,000	$ 5,687.50	$ 45,687.50
2025	15,000	637.50	15,637.50	45,000	3,937.50	48,937.50
2026	-	-	-	45,000	1,968.75	46,968.75
TOTALS	$ 150,000	$ 6,675	$ 156,675	$ 130,000	$ 11,593.75	$ 141,593.75

Fiscal Year Ending June 30th	2015 $2,135,000 Advance Refunding Principal	Interest	Total	2018 $6,653,000 Serial Bonds Principal	Interest	Total
2024	$ 185,000	$ 17,293.75	$ 202,293.75	$ 400,000	$ 143,250.00	$ 543,250
2025	180,000	13,362.50	193,362.50	410,000	131,250.00	541,250.00
2026	180,000	9,312.50	189,312.50	420,000	118,950.00	538,950.00
2027	175,000	4,812.50	179,812.50	430,000	106,350.00	536,350.00
2028	-	-	-	440,000	93,450.00	533,450.00
2029	-	-	-	455,000	80,250.00	535,250.00
2030	-	-	-	465,000	66,600.00	531,600.00
2031	-	-	-	475,000	52,650.00	527,650.00
2032	-	-	-	490,000	38,400.00	528,400.00
2033	-	-	-	505,000	23,700.00	528,700.00
2034	-	-	-	285,000	8,550.00	293,550.00
TOTALS	$ 720,000	$ 44,781.25	$ 584,968.75	$ 4,775,000	$ 863,400	$ 5,638,400

Fiscal Year Ending June 30th	2023 DASNY Principal	Interest	Total
2024	$ 360,000	$ 584,765.28	$ 944,765.28
2025	520,000	433,750.00	953,750.00
2026	560,000	407,750.00	967,750.00
2027	610,000	379,750.00	989,750.00
2028	635,000	349,250.00	984,250.00
2029	670,000	317,500.00	987,500.00
2030	700,000	284,000.00	984,000.00
2031	740,000	249,000.00	989,000.00
2032	770,000	212,000.00	982,000.00
2033	810,000	173,500.00	983,500.00
2034	850,000	133,000.00	983,000.00
2035	895,000	90,500.00	985,500.00
2036	915,000	45,750.00	960,750.00
TOTALS	$ 9,035,000	$ 3,660,515.28	$ 12,695,515

APPENDIX – C

MATERIAL EVENT NOTICES

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

(k) rating changes

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

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

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

(o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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

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 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.

APPENDIX – D

UNION SPRINGS CENTRAL SCHOOL DISTRICT

GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2023

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.

UNION SPRINGS CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2023

UNION SPRINGS CENTRAL SCHOOL DISTRICT

JUNE 30, 2023

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Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Union Springs 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 Union Springs Central School District, as of and for the year ended June 30, 2023, 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 Union Springs Central School District, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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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 Union Springs 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 Union Springs Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratio, schedule of the District's proportionate share of net pension asset (liability) and schedule of District contributions on pages 4-11 and 48-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Springs Central School District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is also 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023, on our consideration of Union Springs Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Union Springs 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 Union Springs Central School District's internal control over financial reporting and compliance.

Port, Kashdin & McSherry

Certified Public Accountants

Cortland, NY
October 10, 2023

UNION SPRINGS CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The following is a discussion and analysis of Union Springs Central School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with Union Springs Central School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District ended the year with a total net position of $16,323,937, an increase of $697,783 from the prior year. Year-end net position was composed of $8,392,490 in restricted assets, $22,563,597 in net investment in capital assets, and $14,632,150 in unrestricted net deficit. The unrestricted net deficit increased $2,054,242 compared to the prior year.
- The District had $15,086,886 in outstanding debt at year end, a decrease of $2,313,645 from the prior year. This decrease is primarily due to debt repayment and the conversion of the Bond Anticipation Notes into full bonds.
- Revenues exceeded expenses by $701,694 in 2023, compared to 2022, in which revenues exceeded expenses by $4,219,143.
- Total fund balance in the General Fund, including reserves, was $5,742,575 at June 30, 2023. Restricted fund balance of $3,984,525 consisted of General Fund restricted reserves; assigned fund balance of $510,065 consisted of encumbrances of $360,065 and appropriated fund balance of $150,000; and $1,247,985 in unassigned fund balance, which is above the maximum limit (4% of 2023-2024 appropriations) permitted under New York State Real Property Tax Law.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis ("MD&A") (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of Union Springs Central School District:

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

Figure A-1 summarizes the major features of Union Springs Central School 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.

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

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

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 – the difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

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

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

Fund Financial Statements

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

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

The District has 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, additional information at the bottom of the governmental funds statements 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 student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF
UNION SPRINGS CENTRAL SCHOOL DISTRICT AS A WHOLE

The District's total assets and deferred outflows of resources decreased 8.71% from the prior year to $57.8 million. (See Table I). Current assets increased by 51.43%, while Capital assets decreased 2.73% to $37.6 million. Noncurrent assets, which includes the District's restricted cash, decreased 63.44%, primarily due to changes in the District's portion of the TRS and ERS pensions. Total cash balances (which include reserves and investments) of the District increased 10.82% from $8.7 million to $9.6 million in the current year. The District's noncurrent liabilities increased 48.95%, largely the result of new bonds being issued, as well as changes in other post-employment benefits. Current liabilities, which include amounts due to other governments, as well as amounts due to both Teacher and Employee Retirement Systems, and deferred revenues expected to be collected within the next year, decreased 81.81% from the prior year, the direct result of the Bond Anticipation Notes being converted to bonds during the fiscal year. Net position for the year decreased to just over $16.3 million.

Table I

Condensed Statement of Net Position	*Governmental Activities and Total School District*		*Total Dollar Change*
	2023	*2022*	
Current Assets	$ 6,789,997	$ 4,483,832	$ 2,306,165
Noncurrent Assets	5,087,620	13,914,717	(8,827,097)
Capital Assets, Net	37,650,483	38,705,205	(1,054,722)
Total Assets	***49,528,100***	***57,103,754***	***(7,575,654)***
Pensions	4,735,120	4,613,378	121,742
Other Postemployment Benefits	3,544,133	1,608,554	1,935,579
Deferred Outflows of Resources	***8,279,253***	***6,221,932***	***2,057,321***
Current Liabilities	2,260,650	12,430,100	(10,169,450)
Noncurrent Liabilities	35,953,365	24,138,113	11,815,252
Total Liabilities	***38,214,015***	***36,568,213***	***1,645,802***
OPEB (GASB 75)	2,762,399	8,630,001	(5,867,602)
Deferred Inflows Related to Pensions	418,297	2,501,322	(2,083,025)
Deferred Inflows of Resources	***3,180,696***	***11,131,323***	***(7,950,627)***
Net Investment in Capital Assets	22,563,597	21,200,155	1,363,442
Restricted	8,392,490	7,003,903	1,388,587
Unrestricted	(14,632,150)	(12,577,908)	(2,054,242)
Total Net Position	***$ 16,323,937***	***$ 15,626,150***	***$ 697,787***

Table II

Change in Net Position	*Governmental and Total School District* 2023	*Governmental and Total School District* 2022	*Total Dollar Change*
Revenues			
Program Revenues:			
Charges for Services	$ 142,110	$ 190,489	$ (48,379)
Operating Grants and Contributions	1,818,203	3,000,015	(1,181,812)
Capital Grants and Contributions	-	242,858	(242,858)
General Revenues:			
Property Taxes	8,013,348	7,923,317	90,031
State Formula Aid	11,264,784	10,834,298	430,486
Federal Aid	-	-	-
Use of Money and Property	276,657	42,950	233,707
Miscellaneous	1,956,402	470,291	1,486,111
Total Revenues	***23,471,504***	***22,704,218***	***767,286***
Program Expenses			
General Support	3,371,733	3,039,563	332,170
Instruction	12,831,579	9,782,380	3,049,199
Pupil Transportation	959,115	944,502	14,613
Community Service	14,349	20,661	(6,312)
Employee Benefits	3,529,246	3,428,982	100,264
Interest on Debt	536,132	427,776	108,356
School Food Service Program	390,195	240,503	149,692
Post Employment Benefits	1,137,461	600,708	536,753
Total Expenses	***22,769,810***	***18,485,075***	***4,284,735***
Increase (Decrease) in Net Position	***$ 701,694***	***$ 4,219,143***	***$ (3,517,449)***

The District's total revenues increased compared to the prior fiscal year. (See Table II and Figure 1). Property tax revenues increased 1.14% to \$8.01 million and accounted for 34% of total revenues. State Aid increased to over \$11.2 million and accounted for 48% of total revenues.

The District's total expenses for the fiscal year were \$22.76 million, or a 23.18% increase from the prior year. Of the District's total expenses, Instruction costs are 56% of the total, while General Support costs (which include Central Services) accounted for 15% of total expenses (See Figure 2). Employee Benefit costs increased 2.92% to \$3.5 million or 16% of the District's total expenses, largely due to the changes in the District's share of the pension asset and related expenses for both TRS and ERS Systems, as well as changes in deferred inflows and outflows of both. Expenses associated with Post-employment Benefits also increased 89.35% and accounted for 5% of the District's total expenses.

For the current year, the overall increase in net position was approximately \$701,000, compared with the prior year increase of approximately \$4.2 million.

Figure 1 – Revenues

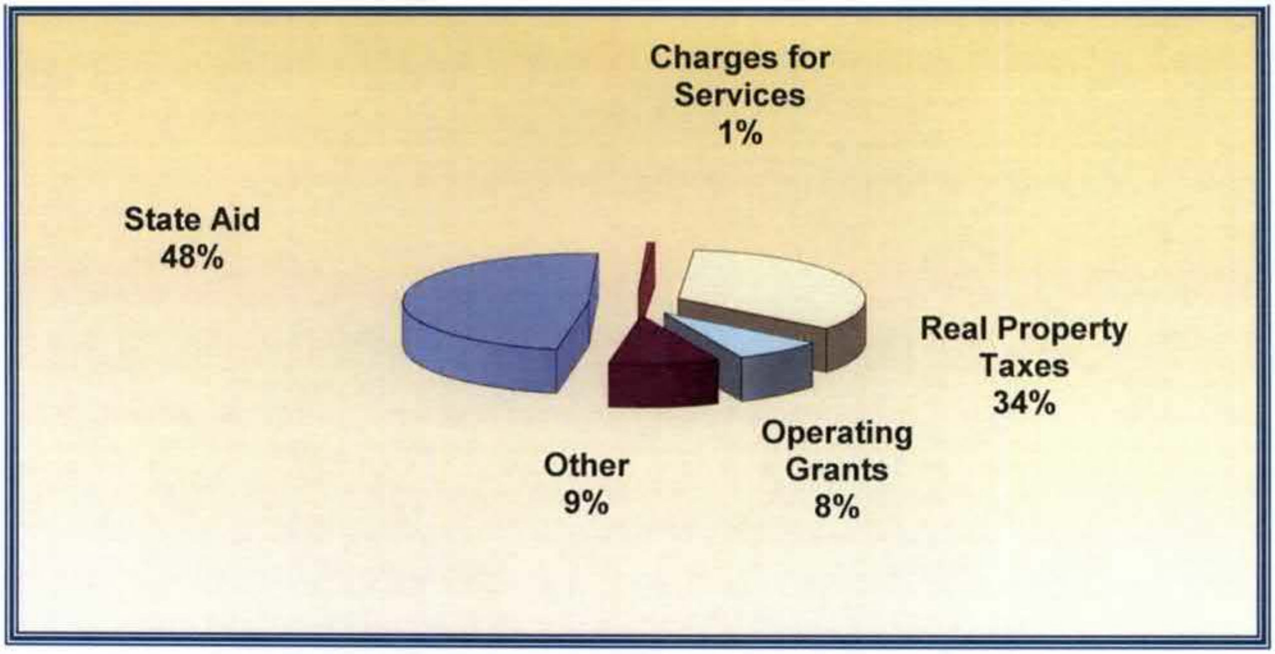
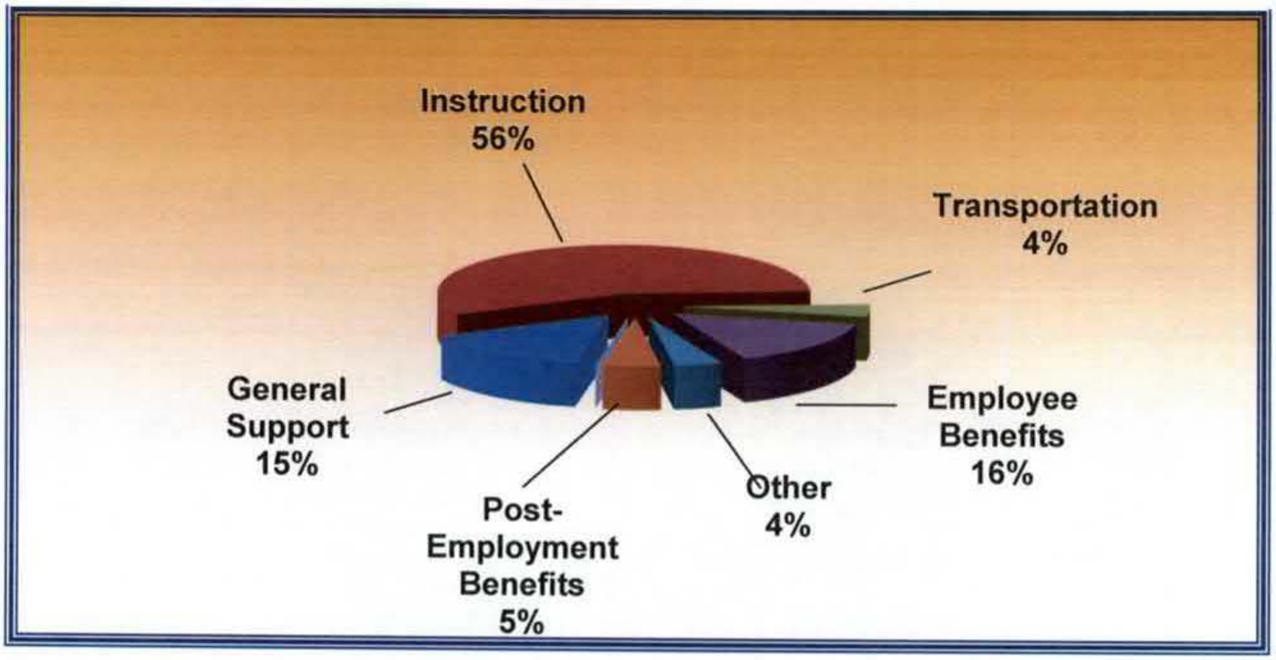


Figure 2 – Expenses



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds ended the fiscal year with a combined increase of $11.3 million (see Table III). The Capital Project, Special Aid and Debt Service Funds had revenues meeting or exceeding expenditures, while the School Food Service Fund had expenditures exceeding revenues. The General Fund had a surplus and utilized reserves to fund a portion of the Capital Project Fund.

Table III

Governmental Fund Balances							
		2023		*2022*		*Total Dollar Change*	*Total Percentage Change*
General Fund	$	5,742,575	$	6,904,140	$	(1,161,565)	-16.82%
Special Aid		-		-		-	0.00%
School Food Service		153,685		180,029		(26,344)	-14.63%
Capital Project		2,476,572		(10,066,349)		12,542,921	-124.60%
Debt Service		1,267,643		1,345,982		(78,339)	-5.82%
	$	9,640,475	$	(1,636,198)	$	(11,276,673)	689.20%

GENERAL FUND BUDGETARY HIGHLIGHTS

Although the General Fund final budget anticipated that expenditures would equal revenues, the actual results for the year report a surplus of $704,717. Actual revenues were above budgeted expectations by $705,858, while expenditures (including encumbrances) were $326,398 below budget.

Table IV

Condensed Budgetary Comparison General Fund		*Original Budget*		*Revised Budget*		*Actual With Encumbrances*		*Total Dollar Variance*
REVENUES								
Real Property Taxes	$	7,778,810	$	7,072,910	$	7,066,229	$	(6,681)
Other Tax Items		194,210		900,110		947,119		47,009
State and Federal Sources		11,458,842		11,458,842		11,761,985		303,143
Other Financing Sources		358,183		358,183		720,570		362,387
Total Revenues and Other Financing Sources	***$***	***19,790,045***	***$***	***19,790,045***	***$***	***20,495,903***	***$***	***705,858***
Appropriated Fund Balances	***$***	***320,000***	***$***	***687,604***	***$***	***-***	***$***	***-***
EXPENDITURES								
General Support	$	2,644,560	$	3,379,304	$	3,289,314	$	89,990
Instruction		11,140,746		10,650,294		10,428,930		221,364
Pupil Transportation		888,009		1,234,203		1,200,160		34,043
Community Service		27,080		13,379		14,349		(970)
Employee Benefits		3,948,062		3,633,912		3,547,241		86,671
Debt Service		1,533,588		1,566,557		1,671,257		(104,700)
Operating Transfers Out		-		-		-		-
Total Expenditures and Other Financing Uses	***$***	***20,182,045***	***$***	***20,477,649***	***$***	***20,151,251***	***$***	***326,398***

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During the fiscal year, the District invested $498,915 in additional capital assets, consisting of one bus and several instructional equipment items. Depreciation expense for the fiscal year was $1,403,791.

Long-term Debt

At year-end, the District's long-term debt consisted of $14,810,000 of serial bonds outstanding. The serial bonds carry an average interest rate that varies between 2% and 4.55% and have a final maturity date of 2037.

FACTORS BEARING ON THE DISTRICT'S FUTURE

- A local consideration for the School District's prudent budgeting is the Cayuga Nation of New York's application to the Bureau of Indian Affairs to place land within the School District boundaries into federal trust or exempt status. The current 2023 school taxes billed at an estimated $60,950.32.
- The Cayuga County Industrial Development Agency (CCIDA) oversees PILOT agreements for the District. Current projections for PILOT payments to the School District, for the 2023-2024 fiscal year are estimated at $231,853.
- The Union Springs community has approved a technology infrastructure, plumbing, and safety project. As these projects work towards completion, the District will secure permanent financing for each project that requires going to bond.
- Since the COVID pandemic, costs have continued to increase in all areas of District operations. Although there was federal aid to combat these pandemic related cost increases, the federal funding was temporary and has concluded. Expenses continue to rise considerably year over year.
- Enrollment in the District continues to decrease with each academic year. The challenge facing the School District is that the number of fewer students each year is not of significant quantity to necessitate long term reductions in FTE. The District is continuously looking to create efficiencies in staffing to manage this decline, without losing any programmatic offerings.
- The gas wells at both AJ Smith and the Middle School/High School are nearing the end of their expected life. As these gas wells decrease in productivity, the School District will be required to increase budgeted amounts to cover increased utility expenses.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's board, taxpayers, 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 Business Office, Union Springs Central School District, Union Springs, New York.

Statement of Net Position
June 30, 2023

ASSETS		
Cash - Unrestricted	$	4,596,751
Cash - Restricted		5,080,447
State and Federal Aid Receivable		2,115,666
Other Receivables		77,580
Due From Fiduciary Funds		-
Inventories		7,173
Prepaid Expenditures		-
Capital Assets, Not Being Depreciated		1,254,321
Capital Assets, Being Depreciated, Net of Accumulated Depreciation		36,099,653
Right to Use Asset, Net of Accumulated Amortization		296,509
Net Pension Asset - Proportionate Share		-
Total Assets		49,528,100
DEFERRED OUTFLOW OF RESOURCES		
OPEB (GASB 75)		3,544,133
Pensions		4,735,120
Total Deferred Outflows of Resources		8,279,253
Total Assets and Deferred Outflows of Resources	$	57,807,353
LIABILITIES		
Accounts Payable	$	130,296
Accrued Liabilities		80,034
Due to Other Governments		102
Due to Fiduciary Funds		-
Bond Anticipation Payable		-
Unearned Revenues		29,819
Long-term Liabilities		
Due and Payable Within One Year		
Bonds Payable		1,120,000
Due to Teachers' Retirement System		790,747
Due to Employees' Retirement System		48,594
Lease Liability		200,198
Due and Payable After One Year		
Bonds Payable		13,690,000
Post-employment Benefits		20,351,628
Compensated Absences Payable		166,505
Lease Liability		76,688
Net Pension Liability - Proportionate Share		1,618,109
Total Liabilities		38,302,720
DEFERRED INFLOWS OF RESOURCES		
OPEB (GASB 75)		2,762,399
Pensions		418,297
Total Deferred Inflows of Resources		3,180,696
NET POSITION		
Net Investment in Capital Assets		22,563,597
Restricted		
Non-spendable		7,173
Restricted		5,650,252
Committed		-
Assigned		2,735,065
Unrestricted (Deficit)		(14,632,150)
Total Net Position		16,323,937
Total Liabilities Deferred Inflows of Resources and Net Position	$	57,807,353

See independent auditor's report and notes to basic financial statements.

Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 3,371,733	$ 121,148	$ -	$ (3,250,585)
Instruction	12,831,579	-	1,488,360	(11,343,219)
Pupil Transportation	959,115	-	-	(959,115)
Community Service	14,349	-	-	(14,349)
Employee Benefits	3,529,246	-	-	(3,529,246)
Interest	536,132	-	-	(536,132)
School Food Service	390,195	20,962	329,843	(39,390)
Post-employment Benefits	1,137,461	-	-	(1,137,461)
Capital Outlay	-	-	-	-
Total Functions and Programs	$ 22,769,810	$ 142,110	$ 1,818,203	(20,809,497)
GENERAL REVENUES				
Real Property Taxes				7,066,229
Other Tax Items				947,119
Use of Money and Property				276,657
Sale of Property and Compensation for Loss				27,009
Miscellaneous				355,375
Premium on Obligations				1,080,000
Interfund Revenue				494,018
State Sources				11,264,784
Federal Sources				-
Total General Revenues				21,511,191
Change in Net Position				701,694
Total Net Position - Beginning of Year				15,626,150
Other Adjustments to Net Position/Rounding				(3,907)
Total Net Position - End of Year				$ 16,323,937

Balance Sheet – Governmental Funds
June 30, 2023

	General	Special Aid	School Food Service	Capital Projects	Debt Service	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 971,097	$ 2,716	$ 131,999	$ 2,223,751	$ 1,267,188	$ 4,596,751
Restricted	5,080,447	-	-	-	-	5,080,447
Receivables						
Due From Other Funds	449,080	935	-	-	455	450,470
State and Federal Aid	1,355,592	478,978	19,505	261,591	-	2,115,666
Due From Other Governments	-	-	-	-	-	-
Other Receivables	77,580	-	-	-	-	77,580
Prepaid Expenditures	-	-	-	-	-	-
Inventories	-	-	7,173	-	-	7,173
Total Assets	$ 7,933,796	$ 482,629	$ 158,677	$ 2,485,342	$ 1,267,643	$ 12,328,087
LIABILITIES						
Payables						
Accounts Payable	$ 120,181	$ 1,800	$ -	$ 8,315	$ -	$ 130,296
Accrued Liabilities	53,853	3,202	3,618	-	-	60,673
Due to Other Funds	935	449,080	-	455	-	450,470
Due to Other Governments	-	-	102	-	-	102
Due to Teachers' Retirement System	790,747	-	-	-	-	790,747
Due to Employees' Retirement System	48,594	-	-	-	-	48,594
Compensated Absences Liability	25,045	-	-	-	-	25,045
Revenue Anticipation Notes	-	-	-	-	-	-
Bond Anticipation Notes	-	-	-	-	-	-
Unearned Revenues	1,151,866	28,547	1,272	-	-	1,181,685
Total Liabilities	2,191,221	482,629	4,992	8,770	-	2,687,612

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
FUND BALANCES						
Non-spendable						
Reserve for Inventory	$ -	$ -	$ 7,173	$ -	$ -	$ 7,173
Reserve for Prepaid Expenditures	-	-	-	-	-	-
Restricted						
Reserve for Encumbrances	-	-	-	398,084	-	398,084
Reserve for Employee Benefit Accrued Liability	138,241	-	-	-	-	138,241
Reserve for Retirement Contributions-ERS	921,121	-	-	-	-	921,121
Reserve for Retirement Contributions-TRS	554,731	-	-	-	-	554,731
Reserve for Tax Certiorari	247,270	-	-	-	-	247,270
Reserve for Unemployment Insurance	252,866	-	-	-	-	252,866
Reserve for Repairs	82,680	-	-	-	-	82,680
Reserve for Workers' Compensation	644,603	-	-	-	-	644,603
Capital Reserve	398,034	-	-	-	-	398,034
Capital Reserve - Bus	744,979	-	-	-	-	744,979
Reserve for Debt	-	-	-	-	1,267,643	1,267,643
Committed	-	-	-	-	-	-
Assigned						
Reserve for Encumbrances	360,065	-	-	-	-	360,065
Unreserved - Designated for Subsequent Year's Expenditures	150,000	-	146,512	2,078,488	-	2,375,000
Unassigned	1,247,985	-	-	-	-	1,247,985
Total Fund Balances	5,742,575	-	153,685	2,476,572	1,267,643	9,640,475
Total Liabilities and Fund Balances	$ 7,933,796	$ 482,629	$ 158,677	$ 2,485,342	$ 1,372,343	$ 12,432,787

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash - Unrestricted	$ 4,596,751	$ -	$ -	$ 4,596,751
Cash - Restricted	5,080,447	-	-	5,080,447
Accounts Receivable	77,580	-	-	77,580
Due From Other Funds	450,470	-	450,470	-
State and Federal Aid Receivable	2,115,666	-	-	2,115,666
Inventories	7,173	-	-	7,173
Capital Assets, Net	-	37,353,974	-	37,353,974
Right to Use Asset, Net	-	296,509	-	296,509
Prepaid Expenditures	-	-	-	-
Net Pension Asset - Proportionate Share	-	-	-	-
Total Assets	12,328,087	37,650,483	450,470	49,528,100
DEFERRED OUTFLOWS OF RESOURCES				
OPEB (GASB 75)	-	3,544,133	-	3,544,133
Pensions	-	4,735,120	-	4,735,120
Total Deferred Outflow of Resources	-	8,279,253	-	8,279,253
Total Assets and Deferred Outflows of Resources	$ 12,328,087	$ 45,929,736	$ 450,470	$ 57,807,353
LIABILITIES				
Accounts Payable	$ 130,296	$ -	$ -	$ 130,296
Accrued Liabilities	60,673	19,361	-	80,034
Bonds Payable	-	14,810,000	-	14,810,000
Bond Anticipation Notes Payable	-	-	-	-
Due to Other Funds	450,470	-	450,470	-
Due to Other Governments	102	-	-	102
Due to Teachers' Retirement System	790,747	-	-	790,747
Due to Employees' Retirement System	48,594	-	-	48,594
Compensated Absences	25,045	141,460	-	166,505
Lease Liability	-	276,886	-	276,886
Other Post-employment Benefits	-	20,351,628	-	20,351,628
Unearned Revenues	1,181,685	(1,151,866)	-	29,819
Net Pension Liability - Proportionate Share	-	1,618,109	-	1,618,109
Total Liabilities	2,687,612	36,065,578	450,470	38,302,720
DEFERRED INFLOWS OF RESOURCES				
OPEB (GASB 75)	-	2,762,399	-	2,762,399
Pensions	-	418,297	-	418,297
Total Deferred Inflows of Resources	-	3,180,696	-	3,180,696
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	9,640,475	6,683,462	-	16,323,937
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	$ 12,328,087	$ 45,929,736	$ 450,470	$ 57,807,353

See independent auditor's report and notes to basic financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2023

	General	Special Aid	School Food Service	Capital Projects	Debt Service	Total Governmental Funds
REVENUES						
Real Property Taxes	$ 7,066,229	$ -	$ -	$ -	$ -	$ 7,066,229
Other Tax Items	947,119	-	-	-	-	947,119
Charges for Services	121,148	-	-	-	-	121,148
Use of Money and Property	259,659	-	-	-	16,998	276,657
Sale of Property and Compensation for Loss	27,009	-	-	-	-	27,009
Miscellaneous	312,754	-	33,257	-	9,364	355,375
Interfund Revenue	-	-	-	494,018	-	494,018
State Sources	11,761,985	329,533	6,394	18,733	-	12,116,645
Federal Sources	-	1,158,827	267,287	-	-	1,426,114
Surplus Food	-	-	22,905	-	-	22,905
Sales - School Food Service	-	-	20,962	-	-	20,962
Total Revenues	$ 20,495,903	$ 1,488,360	$ 350,805	$ 512,751	$ 26,362	$ 22,874,181

	General	Special Aid	School Food Service	Capital Projects	Debt Service	Total Governmental Funds
EXPENDITURES						
General Support	$ 3,176,047	$ -	$ 180,686	$ -	$ -	$ 3,356,733
Instruction	10,386,882	1,402,638	-	-	-	11,789,520
Pupil Transportation	995,410	-	-	-	-	995,410
Community Service	14,349	-	-	-	-	14,349
Employee Benefits	3,547,241	85,722	37,122	-	-	3,670,085
Debt Service						
Principal	1,105,000	-	-	-	-	1,105,000
Interest	566,257	-	-	-	-	566,257
Cost of Sales	-	-	155,433	-	-	155,433
Other Expenditures	-	-	-	-	-	-
Capital Outlay	-	-	-	405,812	-	405,812
Total Expenditures	19,791,186	1,488,360	373,241	405,812	-	22,058,599
OTHER SOURCES (USES)						
Proceeds from debt	-	-	-	9,035,000	-	9,035,000
BANS Redeemed by Appropriation	-	-	-	1,430,000	-	1,430,000
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	10,465,000	-	10,465,000
Excess (Deficiency) Revenues Over Expenditures and Other Sources (Uses)	704,717	-	(22,436)	10,571,939	26,362	11,280,582
Other Adjustments to Fund Balances	(1,866,282)	-	(3,908)	1,970,982	(104,701)	(3,909)
Fund Balances - Beginning of Year	6,904,140	-	180,029	(10,066,349)	1,345,982	(1,636,198)
Fund Balances - End of Year	$ 5,742,575	$ -	$ 153,685	$ 2,476,572	$ 1,267,643	$ 9,640,475

Reconciliation of Governmental Funds Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2023

	Total Governmental Funds	Long-term Revenue, Expenditures	Capital Related Items	Debt Transactions	Statement of Activities Totals
REVENUES					
Real Property Taxes	$ 7,066,229	$ -	$ -	$ -	$ 7,066,229
Other Tax Items	947,119	-	-	-	947,119
Charges for Services	121,148	-	-	-	121,148
Use of Money and Property	276,657	-	-	-	276,657
Sale of Property and Compensation for Loss	27,009	-	-	-	27,009
Miscellaneous	355,375	-	-	-	355,375
Interfund Revenue	494,018	-	-	-	494,018
State Sources	12,116,645	(482,677)	-	-	11,633,968
Federal Sources	1,426,114	-	-	-	1,426,114
Surplus Food	22,905	-	-	-	22,905
Sales - School Lunch	20,962	-	-	-	20,962
Total Revenues	22,874,181	(482,677)	-	-	22,391,504
EXPENDITURES					
General Support	3,356,733	-	195,686	-	3,552,419
Instruction	11,789,520	3,057	1,039,002	-	12,831,579
Pupil Transportation	995,410	(977)	(35,318)	-	959,115
Community Service	14,349	-	-	-	14,349
Employee Benefits	3,670,085	(103,717)	-	-	3,566,368
Debt Service					
Principal	1,105,000	-	-	(1,105,000)	-
Interest	566,257	-	-	(30,125)	536,132
Cost of Sales	155,433	-	16,954	-	172,387
Capital Outlay	405,812	-	(405,812)	-	-
Other Post-employment Benefits	-	1,137,461	-	-	1,137,461
Total Expenditures	22,058,599	1,035,824	810,512	(1,135,125)	22,769,810
Excess (Deficiency) of Revenues Over Expenditures	815,582	(1,518,501)	(810,512)	1,135,125	(378,306)
OTHER SOURCES (USES)					
BANs Redeemed by Appropriation	1,430,000	-	-	(1,430,000)	-
Proceeds From Debt	9,035,000	-	-	(9,035,000)	-
Premium on Obligations	-	-	-	1,080,000	1,080,000
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
Total Other Sources (Uses)	10,465,000	-	-	(9,385,000)	1,080,000
Net Change for the Year	$ 11,280,582	$ (1,518,501)	$ (810,512)	$ (8,249,875)	$ 701,694

See independent auditor's report and notes to basic financial statements.

Statement of Fiduciary Net Position
June 30, 2023

	Custodial	Private Purpose Trusts
ASSETS		
Cash	$ 88,561	$ 30,959
Due From Governmental Funds	-	-
Accounts Receivable	-	-
Total Assets	$ 88,561	$ 30,959
LIABILITIES		
Due to Governmental Funds	$ -	$ -
Extraclassroom Activity Balances	88,561	-
Other Liabilities	-	1,496
Total Liabilities	88,561	1,496
NET POSITION		
Reserved for Scholarships	-	29,463
Total Net Position	-	29,463
Total Liabilities and Net Position	$ 88,561	$ 30,959

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Private Purpose Trusts
ADDITIONS	
Gifts and Contributions	$ 5,959
Investment Earnings	67
Total Additions	6,026
DEDUCTIONS	
Scholarships and Awards	4,130
Total Deductions	4,130
Change in Net Position	1,896
Net Position - Beginning of Year	27,567
Net Position - End of Year	$ 29,463

Statement of Fiduciary Net Position
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Essentially, the primary function of the District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. 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.

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. While the Extraclassroom Activity Funds are not considered a component unit of the District, due to the District's fiduciary responsibility in relation to the Funds, they are reported in the District's Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office, located at 239 Cayuga Street, Union Springs, New York. The District accounts for assets held as an agent for various student organizations in an agency fund.

PROPERTY TAXES

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on the effective date of the tax warrant. Taxes are collected during the months of September and October. Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

Statement of Fiduciary Net Position
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JOINT VENTURE

The Union Springs Central School District is a component school district in the Cayuga-Onondaga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share 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 ended June 30, 2023, the Union Springs Central School District was billed $4,333,682 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,387,995. At June 30, 2023, the District owed BOCES $-0-, and had a receivable from BOCES totaling $1,151,866.

Participating school districts issue debt on behalf of BOCES. This debt is reported in the District-wide financial statements when applicable.

Financial statements for Cayuga-Onondaga BOCES are available from the Business Office, CO BOCES, 1879 W Genesee St., Auburn, New York 13021.

RESTRICTED RESOURCES

When an expense is incurred for purposes for which both restricted and unrestricted net assets 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.

BASIS OF PRESENTATION

a. District-wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

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

Statement of Fiduciary Net Position
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (Continued)

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. 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.

b. Funds Statements:

The fund statements provide information about the District's funds, including 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.

The District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. Details for each project are reported in the supplemental schedules.

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

The District reports the following 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.

There are two classes of fiduciary funds:

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (Continued)

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

***Custodial Funds*:** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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. Nonexchange 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 60 days after the end of the fiscal year.

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

USE OF ESTIMATES

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

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the 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.

UNEARNED REVENUE

Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded. The Governmental Fund financial statements report unavailable revenues when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed, and revenues are recorded.

ACCOUNTS RECEIVABLE

Accounts receivable 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 an allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

VESTED EMPLOYEE BENEFITS

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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 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.

Other Benefits

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

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

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

The District follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.* The District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 15 for additional information.

OTHER ASSETS/RESTRICTED ASSETS

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

In the District-wide financial statements, bond discounts and premiums, and any prepaid bond issuance costs are deferred and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 receipt and/or purchase, and an expense/expenditure is reported in the year the goods or services are consumed.

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

SHORT-TERM DEBT

The District may issue Bond Anticipation Notes (BANs), 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.

INTERFUND TRANSACTIONS

The operations of the District give rise to certain transactions between funds, including transfers, to provide services and construct assets. Eliminations have been made for amounts due to and due from within the same fund type. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds for interfund transfers have been eliminated from the Statement of Activities.

Refer to Note 7 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenue activity.

CAPITAL ASSETS

Capital assets are reported at actual cost for acquisitions subsequent to December 2002. For assets acquired prior to December 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market values at the time received. The District maintains a capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) of five thousand dollars. All reported capital assets except for land, land improvements and construction in progress are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	20-40 years
Improvements	15-20 years
Furniture and Equipment	5-8 years

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS

District-wide Statements

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

- *Net Investment in Capital Assets*: Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.
- *Restricted Net Position*: Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislations.
- *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.

Funds Statements

The District follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users with more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statement of the extent to which the government is bound to honor any constraints on specific resources for which resources in a fund can be spent.

- *Non-spendable*: Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of $7,173.
- *Restricted*: Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

  Unemployment Insurance Reserve Fund

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

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS (Continued)

Capital Reserve Fund

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

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due 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.

Repairs Reserve Fund

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

Tax Certiorari Reserve Fund

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

Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The reserve must be accounted for separately 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.

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS (Continued)

Workers' Compensation Reserve Fund

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

Debt Service Reserve Fund

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

Bus Purchase Reserve Fund

According to Education Law §3651, the Bus Purchase Reserve Fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, it's probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

Encumbrances

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

- *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, 2023.
- *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 in the General Fund amounted to $360,065. Appropriated fund balance in the General Fund amounted to $125,000. Any remaining fund balance in other funds is considered assigned.

Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS (Continued)

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

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

The Board of Education of the District has not adopted any resolutions to commit fund balance. The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

LEASES

The District determines if an arrangement is or contains a lease at inception. The District records assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The District uses the rate implicit in the lease agreements. In some cases the implicit rate is not easily determinable, and the District elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease asses or lease obligations are recorded on the Statement of Net Position and the District will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The District's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the education expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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. The District reports deferred outflows of resources related to pensions and OPEB in the District-wide Statement of Net Position. The types of deferred outflows related to pensions and OPEB are described in Notes 12 and 15, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenues under the modified accrual basis of accounting in the Balance Sheet – Governmental Funds. The District reports deferred inflows of resources related to pensions and OPEB Plans which are further described in Notes 12 and 15, respectively.

NEW ACCOUNTING STANDARDS

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2023. These standards had no significant impact on the District.

- GASB Statement 96, *Subscription-Based Information Technology Arrangements*

NOTE 2 – INVESTMENTS

The District's investment policy for investments is governed by New York statutes. 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 foreign currency and is not exposed to foreign currency risk.

NOTE 3 – DONOR-RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

Notes to Financial Statements
June 30, 2023

NOTE 4 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT AND CONCENTRATION OF CREDIT RISK

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 included balances insured or collateralized as follows:

Insured by Federal Deposit Insurance Corporation	$	501,795
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name.		9,022,277

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $5,080,447 restricted for various fund balance reserves in the general fund, $-0- restricted for the voter approved capital project in the capital projects fund, $88,561 restricted for extraclassroom in the fiduciary fund and $30,959 restricted for scholarships in the fiduciary funds.

NOTE 5 – LEASES

The District enters into lease agreements for certain equipment that are considered leases. The District is not party to any material short-term leases, and current leases do not require any variable payments.

At June 30, 2023, the District reported $888,525, offset by accumulated amortization of $592,016, in intangible lease assets that were included in the lease liability below.

Lease liabilities as of June 30, 2023 are as follows:

Description of Lease	Issue Date	Maturity Date	Discount Rate	Outstanding June 30, 2023
IPA US-07	02/16/21	06/30/23	1.82%	$ -
IPA US-08	12/02/21	06/30/25	1.32%	61,059
IPA US-09	04/21/22	07/01/24	2.71%	127,123
030321	07/01/22	06/30/25	1.50%	88,704
				$ 276,886

The following is a summary of the maturity of lease liabilities:

Year	Principal	Interest	Total
2024	$ 200,198	$ 7,448	$ 207,646
2025	76,688	363	77,051
	$ 276,886	$ 7,811	$ 284,697

Notes to Financial Statements
June 30, 2023

NOTE6 – SHORT-TERM DEBT

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN Maturing 04/28/23 at 3.00%	$ 10,465,000	$ -	$ 10,465,000	$ -
BAN Maturing 06/19/23 at 4.00%	-	10,290,000	10,290,000	-
	$ 10,465,000	$ 10,290,000	$ 20,755,000	$ -

Interest expense on short-term debt amounted to $371,388 for 2022-2023.

NOTE 7 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Interfund balances at June 30, 2023 are as follows:

	Receivable	Payable	Revenues	Expenditures
General Fund	$ 449,080	$ 935	$ -	$ -
Special Aid Fund	935	449,080	-	-
School Food Service Fund	-	-	-	-
Capital Projects	-	455	-	-
Debt Service Fund	455	-	-	-
Total Government Activities	450,470	450,470	-	-
Fiduciary Agency Fund	-	-	-	-
Totals	$ 450,470	$ 450,470	$ -	$ -

The District typically transfers from the General Fund to the Special Aid Fund the District's share of the cost to accommodate the mandated accounting for the District's share of expenditures of a Special Aid Fund project and to and from the Debt Service fund for the payment of long-term debt.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

NOTE 8– TAX ABATEMENTS

For the year ended June 30, 2023, property in the District was subject to property tax abatements negotiated by the Cayuga County Industrial Development Agency (CCIDA).

CCIDA enters into PILOT agreements with businesses within Cayuga County under New York State General Municipal Law §858. Economic development agreements entered into by CCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which CCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction. The District received payment in lieu of taxes (PILOT) totaling $218,272 for the year ended June 30, 2023.

Notes to Financial Statements
June 30, 2023

NOTE 9 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

a. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

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

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

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

i) Long-term revenue and expense differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) OPEB differences:

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

NOTE 10 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund. The voters of the District approved the proposed appropriation budget for the General Fund.

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

Budgets are adopted annually on a basis consistent with generally accepted accounting principles (GAAP). Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2023.

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

Encumbrances

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

Fund Balances

At June 30, 2023, the District-wide Statement of Net Position had an unrestricted net deficit of $14,632,150. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see note 12). This deficit is not expected to be eliminated during the normal course of operations.

Notes to Financial Statements
June 30, 2023

NOTE 11 – LONG-TERM OBLIGATIONS

- 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.
- Compensated Absences: Represents the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General and School Food Service Funds.
- Other Post-employment Benefits: Represents the net obligation of the District for other post-employment benefits, including medical and prescription drug insurances.

The changes in the District's indebtedness during the year ended June 30, 2023, are summarized as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Government Activities:					
Bonds and Notes Payable:					
2015 Serial Bonds $2.135M	$ 910,000	$ -	$ 190,000	$ 720,000	$ 185,000
2009 Serial Bonds $1.532 M	280,000	-	130,000	150,000	135,000
2010 Serial Bonds $500K	170,000	-	40,000	130,000	40,000
2018 Serial Bonds $6.653M	5,170,000	-	395,000	4,775,000	400,000
2023 Serial Bonds DASNY $9.035M	-	9,035,000	-	9,035,000	360,000
Net Bond and Notes Payable	6,530,000	9,035,000	755,000	14,810,000	1,120,000
Other Liabilities					
Compensated Absences	164,425	2,080	-	166,505	25,045
Net Pension Liability - Proportionate Share	-	1,618,109	-	1,618,109	-
Other Post-employment Benefits	18,035,344	2,316,284	-	20,351,628	-
Total Long-term Liabilities	$ 24,729,769	$ 3,936,473	$ 755,000	$ 36,946,242	$1,120,000

The following is a summary of the maturity of long-term indebtedness. Payment of self-insurance claims, judgments, and compensated absences are dependent upon future factors and therefore the timing of such payments cannot be determined.

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	$ 1,120,000	$ 757,035	$ 1,877,035
2025	1,170,000	582,938	1,752,938
2026	1,205,000	537,984	1,742,984
2027	1,215,000	490,913	1,705,913
2028	1,075,000	442,700	1,517,700
2029-2033	6,080,000	1,507,000	7,587,000
2034-2036	2,945,000	451,300	3,396,300
	$ 14,810,000	$ 4,769,870	$ 19,579,870

Notes to Financial Statements
June 30, 2023

NOTE 11 – LONG-TERM OBLIGATIONS (CONTINUED)

Existing serial and statutory bond obligations:

Description	Issue Date	Final Maturity	Interest Rate	Balance
2015 Serial Bonds $2.135M	6/15/15	6/15/27	1.000% - 2.750%	$ 720,000
2009 Serial Bonds $1.532M	6/15/10	6/15/27	3.750% - 4.250%	150,000
2010 Serial Bonds $500K	6/15/11	6/15/26	2.875% - 4.375%	130,000
2018 Serial Bonds $6.653M	6/15/19	6/15/34	3.000%	4,775,000
2023 Serial Bonds DASNY $9.035M	6/15/23	6/15/36	3.349%	9,035,000
				$ 14,810,000

Interest on long-term indebtedness amounted to $194,869 for 2022-2023.

Total outstanding indebtedness represented approximately 24.02% of its debt limit, exclusive of building aid estimates.

NOTE 12 – PENSION PLANS

Provisions and Administration

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 Statue.

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

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute.

Notes to Financial Statements
June 30, 2023

NOTE 12 – PENSION PLANS (CONTINUED)

Provisions and Administration (Continued)

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/publication/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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% 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 actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. Required contributions based on covered payroll paid for the current and two preceding years were:

	NYSTRS	NYSERS
2023	$ 695,019	$ 151,683
2022	635,301	199,802
2021	625,903	185,052

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 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	3/31/2023	6/30/2022
Net Pension (Asset)/Liability	$ 232,627,259,000	$ 133,883,473,000
District's Proportionate Share of the Plan's Total Net Pension (Asset) Liability	849,911	768,198
District's Share of the Plan's Total Net Pension (Asset) Liability	0.0039634%	0.040033%

Notes to Financial Statements
June 30, 2023

NOTE 12 – PENSION PLANS (CONTINUED)

For the year ended June 30, 2023, the District's recognized its proportionate share of pension expense of $330,077 for ERS and the actuarial value of $963,072 for TRS. At June 30, 2023, 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	$ 90,522	$ 804,974	$ 23,869	$ 15,393
Changes of Assumptions	412,772	1,490,174	4,562	309,452
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	992,585	4,993	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	84,504	71,862	10,241	49,787
District's Contributions Subsequent to the Measurement Date	48,594	739,133	-	-
Total	$ 636,392	$ 4,098,728	$ 43,665	$ 374,632

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

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset)/liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year Ended:	March 31	June 30
2023	$ -	$ 573,969
2024	141,680	307,660
2025	(20,218)	(117,600)
2026	184,257	1,960,014
2027	238,415	253,471
Thereafter	-	7,448

Notes to Financial Statements
June 30, 2023

NOTE 12 – 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 updated procedures used to roll forward the total pension (asset)/liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Interest Rate	5.90%	6.95%
Salary Scale	4.40%	1.95%-5.18%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. 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 March 31, 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 expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical data and plan performance.

Notes to Financial Statements
June 30, 2023

NOTE 12 – PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Asset Type:		
Domestic Equity	4.30%	6.50%
Private Equity	7.50%	9.90%
International Equity	6.85%	7.20%
Real Estate	4.60%	6.20%
Global Equities	N/A	6.90%
Private Debt	N/A	5.30%
Real Estate Debt	N/A	2.40%
Opportunistic Portfolio	5.38%	N/A
Real Assets	5.84%	N/A
Domestic Fixed Income Securities	N/A	1.10%
Short Term	0.00%	-0.30%
Fixed Income Securities	1.50%	3.30%
Bonds and Mortgages	5.43%	N/A
Global Fixed Income Securities	N/A	0.60%

Notes to Financial Statements
June 30, 2023

NOTE 12 – PENSION PLANS (CONTINUED)

Discount Rate

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

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

ERS	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
District's Proportionate Share of the Net Pension (Asset)/Liability	$ 2,053,870	$ 849,911	$ (156,137)

TRS	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
District's Proportionate Share of the Net Pension (Asset)/Liability	$ 7,083,145	$ 768,198	$ (4,542,631)

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
Measurement Date	March 31, 2023	June 30, 2022
Employers' Total Pension (Asset)/Liability	$ 232,627,259	$ 133,883,473
Plan Net Position	211,183,223	131,964,582
Employers' Total Pension (Asset)/Liability	21,444,036	1,918,891
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	90.78%	98.57%

Notes to Financial Statements
June 30, 2023

NOTE 12 – 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, 2023 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to $48,594. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October, and November 2023 through a State Aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to $790,747.

NOTE 13 – CAPITAL ASSETS

Capital asset balances and activities were as follows:

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	$ 67,148	$ -	$ -	$ 67,148
Construction in Progress	885,880	301,293	-	1,187,173
Total Nondepreciable Historical Cost	953,028	301,293	-	1,254,321
Capital Assets That Are Depreciated:				
Buildings	56,069,571	-	-	56,069,571
Furniture and Equipment	5,481,678	197,622	-	5,679,300
Total Depreciable Historical Cost	61,551,249	197,622	-	61,748,871
Intangible Lease Assets:				
Equipment	756,457	132,068	-	888,525
Total Historical Cost	63,260,734	630,983	-	63,891,717
Less Accumulated Depreciation:				
Buildings	(19,753,020)	(1,155,245)	-	(20,908,265)
Furniture and Equipment	(4,492,407)	(248,546)	-	(4,740,953)
Total Accumulated Depreciation	(24,245,427)	(1,403,791)	-	(25,649,218)
Less Accumulated Amortization:				
Equipment	(310,102)	(281,914)	-	(592,016)
Total Historical Cost, Net	$ 38,705,205	$ (1,054,722)	$ -	$ 37,650,483

Depreciation and amortization expense was charged to governmental functions as follows:

General Support	$ 248,564
Instruction	1,316,108
Pupil Transportation	104,079
School Lunch	16,954
	$ 1,685,705

Notes to Financial Statements
June 30, 2023

NOTE 14 – RISK MANAGEMENT

General

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

Consortiums

Workers' Compensation

The Union Springs Central School District incurs costs related to a workers' compensation plan (Plan) sponsored by Onondaga-Cortland-Madison BOCES. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law. The Plan's objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. District's joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan after that time by submitting a resolution passed by the District's Board of Education prior to May 1, to withdraw by the end of the fiscal year. Plan members include twenty-nine districts and two BOCES. 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 costs 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.

During the year ended June 30, 2023, the District incurred premium or contribution expenditures totaling $76,986.

Health Insurance

The District incurs costs related to an employee health insurance plan (Plan) sponsored by the Cayuga-Onondaga BOCES health insurance consortium. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members include nine districts, with the District bearing a proportionate share of the Plan's assets and claims liabilities. 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.

Plan financial statements may be obtained at Cayuga-Onondaga BOCES, 1879 W. Genesee St., Auburn, New York 13021.

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.

Notes to Financial Statements
June 30, 2023

NOTE 14 – RISK MANAGEMENT (CONTIUED)

Health Insurance (Continued)

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 costs 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.

During the year ended June 30, 2023, the District incurred premium or contribution expenditures totaling $1,869,982.

Other Items

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 audits, the District's administration believes allowances, if any, will be immaterial.

NOTE 15 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan

Plan Description and Benefits Provided: The Plan is a single-employer defined benefit healthcare plan administered by the School Board. The Plan provides medical and prescription drug insurance benefits to eligible retirees and their spouses. Benefit provisions are established through negotiations between the District and bargaining units. 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	131
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	108
	239

Total OPEB Liability

The District's total OPEB liability of $20,351,628 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Notes to Financial Statements
June 30, 2023

NOTE 15 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including in the measurement, unless otherwise specified:

Long-Term Bond Rate	2.83%	
Single Discount Rate	2.83%	
Salary Scale	3.44%	
Marital Assumption	70.00%	
Participation Rate	100.00%	
Healthcare Cost Trend Rates	6.10%	for 2023, increasing to an ultimate rate of 4.37% for 2070 and later years

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date (or the nearest business day thereto).

The salary scale was based on the District's review of historical experience as well as future expectations.

Mortality rates were based on the Scale MP-2021 (generation mortality) published by the pension mortality study released by the Society of Actuaries.

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death, or retirement.

Retirement rates are based on tables used by the New York State and Local Retirement System.

The actuarial assumptions used in the June 30, 2023 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

Balance at June 30, 2021	$	18,035,344
Changes for the Year -		
Service Cost		426,173
Interest		508,433
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience		3,806,914
Changes in Assumptions or Other Inputs		(1,929,557)
Benefit Payments		(495,679)
Net Changes		2,316,284
Balance at June 30, 2022	$	20,351,628

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 (2.78%) or 1 percentage point higher (4.78%) than the current rate:

	1% Decrease (2.78%)	Discount Rate (3.78%)	1% Increase (4.78%)
Total OPEB Liability	$ 23,623,398	$ 20,351,628	$ 17,728,070

Notes to Financial Statements
June 30, 2023

NOTE 15 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED)

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 (3.00%) or 1 percentage point higher (5.00%) than the current healthcare cost trend rate:

	1% Decrease (4.50% Decreasing to 3.00%)	Healthcare Cost Trend Rates (5.50% Decreasing to 4.00%)	1% Increase (6.50% Decreasing to 5.00%)
Total OPEB Liability	$ 17,498,911	$ 20,351,628	$ 23,962,151

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

For the year ended June 30, 2023, the District recognized OPEB expense of $1,020,823. At June 30, 2023, 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	$ 3,501,801	$ 47,827
Changes of Assumptions or Other Inputs	42,332	2,714,572
Contributions Subsequent to the Measurement Date	-	-
	$ 3,544,133	$ 2,762,399

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

Year Ended	Amount
2024	$ 125,805
2025	212,086
2026	273,863
2027	235,550
2028	(65,570)
Thereafter	-

NOTE 16 – SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 10, 2023, the date the financials were available to be issued.

REQUIRED AND OTHER SUPPLEMENTAL SCHEDULES

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
REVENUES				
Local Sources				
Real Property Taxes	$ 7,778,810	$ 7,072,910	$ 7,066,229	$ (6,681)
Other Tax Items	194,210	900,110	947,119	47,009
Charges for Services	-	-	121,148	121,148
Use of Money and Property	48,000	48,000	259,659	211,659
Sale of Property and Compensation for Loss	10,000	10,000	27,009	17,009
Miscellaneous	300,183	300,183	312,754	12,571
Interfund Revenues	-	-	-	-
Total Local Sources	8,331,203	8,331,203	8,733,918	402,715
State Sources	11,458,842	11,458,842	11,761,985	303,143
Federal Sources	-	-	-	-
Total Revenues	19,790,045	19,790,045	20,495,903	705,858
Other Financing Sources				
Transfers From Other Funds	-	-	-	-
Premium on Obligations	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Revenues and Other Sources	19,790,045	19,790,045	$ 20,495,903	$ 705,858
Appropriated Fund Balance				
Prior Year Surplus	-	-		
Prior Year Encumbrances	-	295,604		
Appropriated Reserves	392,000	392,000		
Total Appropriated Fund Balance	392,000	687,604		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 20,182,045	$ 20,477,649		

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual and Encumbrances
EXPENDITURES					
General Support					
Board of Education	$ 33,569	$ 113,074	$ 49,740	$ 1,590	$ 61,744
Central Administration	254,740	257,986	263,318	-	(5,332)
Finance	396,067	501,110	498,754	114	2,242
Staff	321,800	211,233	214,136	-	(2,903)
Central Services	1,314,010	1,991,994	1,847,473	111,563	32,958
Special Items	324,374	303,907	302,626	-	1,281
Total General Support	2,644,560	3,379,304	3,176,047	113,267	89,990
Instruction					
Instruction, Administration and Improvements	624,629	416,985	484,823	-	(67,838)
Teaching - Regular School	5,123,053	4,844,077	4,693,272	30,801	120,004
Programs for Children With Handicapping Conditions	1,822,494	1,856,906	1,710,642	-	146,264
Occupational Education	862,849	851,552	851,552	-	-
Teaching - Special School	106,625	106,625	110,731	-	(4,106)
Instructional Media	1,428,651	1,421,503	1,428,506	5,084	(12,087)
Pupil Services	1,172,445	1,152,646	1,107,356	6,163	39,127
Total Instruction	11,140,746	10,650,294	10,386,882	42,048	221,364
Pupil Transportation	888,009	1,234,203	995,410	204,750	34,043
Community Services	27,080	13,379	14,349	-	(970)
Employee Benefits	3,948,062	3,633,912	3,547,241	-	86,671
Debt Service	1,533,588	1,566,557	1,671,257	-	(104,700)
Total Expenditures	20,182,045	20,477,649	19,791,186	360,065	326,398
OTHER USES					
Interfund Transfer	-	-	-	-	-
Total Expenditures and Other Uses	$ 20,182,045	$ 20,477,649	19,791,186	$ 360,065	$ 326,398
Net Change in Fund Balance			704,717		
Fund Balance - Beginning			6,904,140		
Other Adjustments and Rounding			(1,866,282)		
Fund Balance - Ending			$ 5,742,575		

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

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

Required Supplementary Information
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service Cost	$ 426,173	$ 473,917	$ 477,637	$ 474,670	$ 415,772	$ 436,285
Interest	508,433	411,971	437,369	595,608	593,465	625,178
Changes in Benefit Terms	-	-	13,618	-	-	-
Differences Between Expected and Actual Experience in the Measurement of the Total OPEB Liability	3,806,914	1,145,818	(305,547)	(3,504,633)	310	(1,034,833)
Changes in Assumptions or Other Inputs	(1,929,557)	(1,670,927)	359,813	3,209,663	266,759	434,203
Expected Benefit Payments	(495,679)	(466,553)	(456,609)	(460,480)	(452,910)	(448,036)
Net Change in Total OPEB Liability	2,316,284	(105,774)	526,281	314,828	823,396	12,797
Total OPEB Liability - Beginning	18,035,344	18,141,118	17,614,837	17,300,009	16,476,613	16,463,816
Total OPEB Liability - Ending	$ 20,351,628	$ 18,035,344	$ 18,141,118	$ 17,614,837	$ 17,300,009	$ 16,476,613
Covered Payroll	$ 6,482,248	$ 7,655,912	$ 7,424,995	$ 8,676,056	$ 8,405,402	$ 8,352,506
Total OPEB Liability as a Percentage of Covered Payroll	313.96%	235.57%	244.32%	203.03%	205.82%	197.27%

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.

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

Required Supplementary Information
Schedule of District Contributions

NYSLRS Pension Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 230,896	$ 244,774	$ 197,621	$ 191,336	$ 167,515	$ 168,615	$ 185,052	$ 199,802	$ 151,683	
Contributions in relation to the contractually required contribution	230,896	244,774	197,621	191,336	167,515	168,615	185,052	199,802	151,683	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	
District's covered-employee payroll	1,349,461	1,361,489	1,361,582	1,380,468	1,290,707	1,290,707	1,421,485	1,415,982	1,192,504	
Contributions as a percentage of covered-employee payroll	17.11%	17.98%	14.51%	13.86%	12.98%	13.06%	13.02%	14.11%	12.72%	

NYSTRS Pension Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 964,785	$ 1,044,546	$ 847,076	$ 780,299	$ 666,642	$ 625,903	$ 635,301	$ 695,055	$ 695,019	
Contributions in relation to the contractually required contribution	964,785	1,044,546	847,076	780,299	666,642	625,903	635,301	695,055	695,019	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	
District's covered-employee payroll	5,958,693	6,388,205	6,657,843	6,802,470	6,970,311	5,893,625	7,186,580	7,092,398	7,092,030	
Contributions as a percentage of covered-employee payroll	16.19%	16.35%	12.72%	11.47%	9.56%	10.62%	8.84%	9.80%	9.80%	

Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension (Asset)/Liability

NYSLRS Pension Plan

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/liability	*	*	$ 419,066	$ 125,231	$ 252,001	$ 917,714	$ 3,828	$ (301,217)	$ 849,911	
District's proportionate share of the net pension (asset)/liability	*	*	0.0044599%	0.0038802%	0.0035567%	0.0034656%	0.0038442%	0.0036848%	0.0039634%	
District's covered payroll	*	*	1,361,582	1,380,468	1,304,718	1,307,418	1,402,650	1,392,882	1,192,504	
District's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	*	*	30.78%	9.07%	19.31%	70.19%	0.27%	-21.63%	71.27%	
Plan fiduciary net position as a percentage of the total pension (asset)/liability	*	*	94.70%	98.24%	96.27%	86.39%	99.95%	-103.65%	90.78%	

NYSTRS Pension Plan

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/liability	*	*	$ 443,395	$ (319,349)	$ (755,157)	$(1,084,911)	$ 1,150,095	$(6,806,082)	$ 768,198	
District's proportionate share of the net pension (asset)/liability	*	*	0.0413990%	0.0420140%	0.0417610%	-0.0417590%	0.0416210%	0.0392760%	0.0403300%	
District's covered payroll	*	*	6,657,843	6,802,470	6,970,311	5,893,265	7,064,367	7,186,580	7,092,030	
District's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	*	*	6.66%	-4.69%	-10.83%	-18.41%	16.28%	-94.71%	10.83%	
Plan fiduciary net position as a percentage of the total pension (asset)/liability	*	*	99.01%	-100.66%	-101.53%	-102.20%	97.80%	-113.20%	98.57%	

*Information unavailable.

Supplementary Information
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund
For the Year Ended June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$	20,182,045
Add: Prior Year's Encumbrances		295,604
Adjusted Budget		20,477,649
Budget Revision:		-
Final Budget	$	20,477,649

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 Voter-Approved Expenditure Budget			$	21,392,539
Maximum Allowed (4% of 2023-2024 Budget)			$	855,702
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:				
Unrestricted Fund Balance				
Committed Fund Balance	$	-		
Assigned Fund Balance		510,065		
Unassigned Fund Balance		1,247,985		
Total Unrestricted Fund Balance		1,758,050		
Less:				
Appropriated Fund Balance		150,000		
Insurance Recovery Reserve		-		
Tax Reduction Reserve		-		
Encumbrances Included in Committed and Assigned Fund Balance		360,065		
Total Adjustments		510,065		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law			$	1,247,985
Actual Percentage				5.83%

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

Supplementary Information
Schedule of Project Expenditures – Capital Project Fund
For the Year Ended June 30, 2023

			Expenditures		
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total
2022 Buses	$ 130,000	$ 130,000	$ 129,038	$ -	$ 129,038
2020 Capital Project MS/HS	100,000	100,000	98,850	-	98,850
2020 Capital Project MS/HS (Phase II)	7,492,291	8,114,913	7,985,875	180,927	8,166,802
AJ Smith Elementay School	-	1,794,306	1,794,306	-	1,794,306
2020 Capital Project MS/HS (Phase III/Asbestos)	300,000	300,000	125,465	174,535	300,000
Smart Bonds	822,347	822,347	655,894	18,733	674,627
2020 Water Damage	-	-	11,973	2,535	14,508
Technology Leases	-	-	501,884	-	501,884
Technology Project	850,000	850,000	-	15,898	15,898
Safety Project	2,815,000	2,815,000	-	13,184	13,184
Totals	$ 12,509,638	$ 14,926,566	$ 11,303,285	$ 405,812	$ 11,709,097

	Methods of Financing				
Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2023
$ 962	$ -	$ -	$ 129,038	$ 129,038	$ -
1,150	-	-	98,850	98,850	-
(51,889)	8,166,802	-	-	8,166,802	-
-	1,794,306	-	341,181	2,135,487	-
-	-	-	-	-	41,181
147,720	-	674,627	-	674,627	-
(14,508)	-	-	626,973	626,973	612,465
(501,884)	503,892	-	-	503,892	2,008
834,102	-	-	850,000	850,000	834,102
2,801,816	-	-	1,000,000	1,000,000	986,816
$ 3,217,469	$ 10,465,000	$ 674,627	$ 3,046,042	$ 14,185,669	$ 2,476,572

Supplementary Information
Net Investment in Capital Assets
For the Year Ended June 30, 2023

Capital Assets, Net		$ 37,650,483
Deduct:		
Short-term Portion of Bonds Payable	$ 1,120,000	
Long-term Portion of Bonds Payable	13,690,000	
Total Bonds Payable		14,810,000
Bond Anticipation Note	-	
Total Bond Anticipation Notes		-
Lease Liabilities	276,886	
Total Lease Liabilities		276,886
Net Investment in Capital Assets		$ 22,563,597

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

Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

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 of
Union Springs 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 Union Springs Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Union Springs Central School District's basic financial statements, and have issued our report thereon dated October 10, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union Springs Central School District's internal control over financial reporting (internal control) to determine the 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 Union Springs Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Union Springs Central School District's internal control.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union Springs 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Pinct, Kashdin & McSherry
Certified Public Accountants

Cortland, New York
October 10, 2023

Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

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 of
Union Springs Central School District

Report on Compliance for Each Major Federal Program

We have audited Union Springs 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 Union Springs Central School District's major federal programs for the year ended June 30, 2023. Union Springs 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Union Springs Central School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Union Springs Central School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Union Springs Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Union Springs 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, 2023.

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Report on Internal Control Over Compliance

Management of Union Springs Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Union Springs Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Union Springs Central School District's internal control over compliance.

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

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

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.

Pert, Kashdin & McShurry
Certified Public Accountants

Cortland, New York
October 10, 2023

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Pass-through to Subreceipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Pass-through New York State Department of Education:				
Special Education Cluster:				
IDEA, Part B PL-142	84.027	0032-23-0986	$ -	$ 231,320
Special Education Preschool Grants PL99-457	84.173	0033-23-0986	-	3,272
Total Special Education Cluster			$ -	$ 234,592
Education Stabilization Funds:				
* Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0310	$ -	$ 294,158
* Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0310	-	374,447
* Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0310	-	53,153
Total Education Stabilization Funds			$ -	$ 721,758
ESEA, Chapter I	84.010	0021-23-3385	-	162,763
Improving Teacher Quality State Grants	84.367	0147-23-3385	-	29,631
Title IV Student Support and Academic Enrichment Program	84.424	0204-23-0310	-	10,083
TOTAL DEPARTMENT OF EDUCATION			$ -	$ 1,158,827
DEPARTMENT OF AGRICULTURE				
Pass-through New York State Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555		$ -	$ 205,934
National School Breakfast Program	10.553		-	84,258
Total Child Nutrition Cluster			$ -	$ 290,192
TOTAL DEPARTMENT OF AGRICULTURE			$ -	$ 290,192
TOTAL FEDERAL EXPENDITURES			$ -	$ 1,449,019

* Denotes major program.

See independent auditor's report on schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the District, an entity as defined in the District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

NOTE 2 – BASIS OF ACCOUNTING

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements.

NOTE 3 – INDIRECT COST RATE

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The District has not elected to use the 10% de minimus cost rate.

NOTE 4 – MATCHING COSTS

Matching costs, such as the District's share of certain program costs, are not included in the reported expenditures.

NOTE 5 – NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2023, the District received $22,905 worth of commodities under the National School Lunch (ALN #10.555).

NOTE 6 – SUBRECIPIENTS

No amounts were provided to subrecipients.

NOTE 7 – OTHER DISCLOSURES

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

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

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

SUMMARY OF AUDITOR'S RESULTS

1. The Auditor's report expresses an unmodified opinion on the general-purpose financial statements of the Union Springs Central School District.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Union Springs Central School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of internal control over major federal award programs.
5. The Auditor's report on compliance for the major federal award programs for the Union Springs Central School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Union Springs Central School District.
7. The program tested as major program included:

CFDA #	Project Title
84.425U	ARP - Elementary & Secondary School Emergency Relief

8. The threshold for distinguishing between Type A and Type B programs was $750,000.
9. The Union Springs Central School District qualified as a high-risk auditee.

SECTION 2 – FINANICAL STATEMENT FINDINGS

None reported.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

FORM OF OPINION OF BOND COUNSEL

July 24, 2024

Union Springs Central School District
239 Cayuga Street
Union Springs, New York 13160

Re: Union Springs Central School District
$4,410,000 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

In our opinion (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) 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. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. 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. 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,

WJ Marquardt PLLC