PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE | **REVENUE ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

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

$6,000,000

LOWVILLE CENTRAL SCHOOL DISTRICT

LEWIS COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE: 548837

$6,000,000 Revenue Anticipation Notes, 2024

(referred to herein as the "Notes")

Dated: October 8, 2024 | **Due: October 8, 2025**

The Notes are general obligations of the Lowville Central School District, Lewis County, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to statutory limitation. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

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

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser(s), or about October 8, 2024.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on September 24, 2024 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

September 18, 2024

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

LOWVILLE CENTRAL SCHOOL DISTRICT
LEWIS COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

AMY MARTI
President

MICHAEL JUDD
Vice President

JAMES FARQUHAR
STEPHANIE HOUSER FOUSE
STEVEN FULLER
JONATHAN GILLETTE
MICHAEL YOUNG
SHEREEN PALMER
CHEYENNE STERIA

* * * * * * *

ADMINISTRATION

REBECCA DUNCKEL-KING
Superintendent of Schools

SANDRA RIVERS
School Business Manager

ANNE PETZOLDT
Business Office Senior Account Clerk/District Treasurer

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

LOWVILLE CENTRAL SCHOOL DISTRICT
LEWIS COUNTY, NEW YORK

Relating To

$6,000,000 Revenue Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the Lowville Central School District, Lewis County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $6,000,000 principal amount of Revenue Anticipation Notes, 2024 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, subject to statutory limitation.

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to statutory limitation. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated October 8, 2024 and will mature October 8, 2025. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law, the Local Finance Law and pursuant to a revenue anticipation note resolution duly adopted by the Board of Education, in anticipation of FEMA and insurance recoveries during the School District's 2024-2025 fiscal year.

The Notes are being issued to provide monies to meet a cash flow deficit expected to occur during the period that the Notes are outstanding (see "APPENDIX – C – ESTIMATED MONTHLY CASH FLOW"). Such cash flow deficit is the result of a delay in the receipt of FEMA and insurance recoveries, which receipt is not timely with the cash flow needs of the School District.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The School District is located in the Village of Lowville in the County of Lewis in Northern New York State. The village is situated about 30 miles southeast of the City of Watertown and approximately 50 miles north of the City of Utica. New York State highways 12, 26 and 812, which bisect the Village of Lowville, serve the School District.

Many of its residents are employed in the various retail establishments in the Village of Lowville or in the surrounding industries. The school district, other local municipalities and the county hospital are large employers in the community.

Lowville Academy was founded in 1808 as a private school, making it one of the oldest educational centers in New York State. In 1905, the school became quasi-public by admitting Village children to the Academy. In 1921, the school became completely public and three years later in May 1924, issued tax-exempt serial bonds to pay for the construction of a school building still in use today. In 1952, surrounding towns joined with the Town of Lowville to form a Central School District, and in 1957 a large addition was built enabling all PK-12 students to be educated in one location.

Source: District officials.

Population

The total population of the School District is currently estimated to be 8,605

(Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates)

Larger Employers

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

Name	Type	Approximate Number of Employees
Oneida-Lewis ARC	Public Service	689
Lewis County General Hospital	Healthcare	670
Kraft Heinz Foods	Manufacturing	520
County of Lewis	Local Government	270
Lowville Central School District	Public School	270

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which 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 this 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:						
Denmark	$ 20,917	$ 26,913	$ 29,798	$ 49,988	$ 67,014	$ 69,038
Greig	20,359	31,698	32,833	52,321	78,333	82,750
Harrisburg	23,857	26,078	37,654	55,893	96,771	117,083
Lowville	21,815	28,905	32,594	58,589	76,776	77,145
Martinsburg	21,866	29,680	31,072	47,237	74,286	77,188
Montague	22,900	27,375	44,323	62,222	N/A	61,750
New Bremen	20,577	24,820	29,372	55,208	57,500	75,962
Pinckney	17,562	30,215	40,761	53,409	56,250	91,042
Turin	25,255	29,297	31,900	57,500	54,375	70,000
Watson	23,067	35,854	35,314	44,375	67,833	70,203
West Turin	20,256	26,888	32,405	47,000	61,875	72,292
County of:						
Lewis	20,970	27,770	31,127	49,554	65,238	74,104
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 data.

Unemployment Rate Statistics

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

Annual Averages

	2017	2018	2019	2020	2021	2022	2023
Lewis County	6.6%	5.5%	5.3%	7.5%	5.1%	4.1%	4.4%
New York State	4.6%	4.1%	3.8%	9.9%	7.0%	4.3%	4.2

2024 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Lewis County	6.7%	6.7%	6.0%	4.9%	3.9%	3.5%	N/A	N/A
New York State	4.3	4.5	4.2	3.9	4.2	4.3	N/A	N/A

Note: Unemployment rates for the months of July and August 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 are 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 School District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

The administrative officers of the School District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures

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

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

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

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

Recent Budget Votes

The budget for the 2023-24 fiscal year was approved by the qualified voters on May 16, 2023 by a vote of 916 to 297. The adopted budget included a tax levy increase of 1.99% which is below the District's maximum allowable Tax Cap.

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 699 to 232. The adopted budget included a tax levy increase of 2.49% which is below the District's maximum allowable Tax Cap of 3.42%.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, and (4) In repurchase agreements involving the purchase and resale of obligations of the United States of America or obligations of agencies of the federal government, if principal and interest is guaranteed by the United States of America and the securities are registered in the name of the School District and held by a custodial bank in accordance with the policies established by the New York State Comptroller, with valuation and margin requirements.

The District does not invest in so-called "derivatives" including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

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 77.15% 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 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. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in 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 2024-25 preliminary building aid ratios, the District expects to receive State building aid of approximately 89.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History:

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6% and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increased the minimum community schools funding amount from $75,000 to $100,000. This ensured all high-need districts across the State could apply the funds to a wide-range of activities.

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 includes $34.5 billion for school aid, an increase of $3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides 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 provides $134 million to increase access to free school meals. An additional $20 million in grant funding will establish 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 will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-25): 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.

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 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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2018-19	$ 26,725,115	$ 18,796,250	70.33%
2019-20	27,502,713	19,906,020	72.38
2020-21	26,470,478	19,144,412	72.32
2021-22	26,497,940	20,019,396	75.55
2022-23	27,605,329	20,347,567	73.71
2023-24 (Budgeted)	29,147,792	22,637,819	77.67
2023-24 (Unaudited)	30,381,617	22,729,390	74.81
2024-25 (Budgeted)	29,518,485	22,772,867	77.15

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 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.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Lowville Academy and Central School	Pre-K-12	1,900	1924, ’55, ’63, ’81, ’83, ’88, ’98, ‘10

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2019-20	1,349	2024-25	1,315
2020-21	1,258	2025-26	1,315
2021-22	1,309	2026-27	1,305
2022-23	1,302	2027-28	1,310
2023-24	1,305	2028-29	1,310

Source: District officials.

Employees

The School District employs approximately 255 regular staff members and 30 substitutes. Certain employees are represented by the following unions:

Number of Employees	Bargaining Unit	Contract Expiration Date
129	Lowville Teachers’ Association	June 30, 2025
8	Lowville Supervisory-Administrative Group	June 30, 2024 (1)
105	CSEA by the unit Lowville Academy & Central School Support Staff of the Lewis County Local 825	June 30, 2026

(1) Currently under negotiation

Source: District official.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2018-2019 through and including 2022-2023, unaudited figures for the 2024-25 fiscal year, and budgeted figures for the 2023-2024 and 2024-25 fiscal years are as follows:

Year	ERS	TRS
2018-19	$ 370,669	$ 975,444
2019-20	380,135	839,737
2020-21	416,111	904,811
2021-22	371,382	843,252
2022-23	340,913	930,584
2023-24 (Budgeted)	410,000	993,606
2023-24 (Unaudited)	403,942	917,271
2024-25 (Budgeted)	440,000	1,074,680

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District has not offered early retirement incentives in the past and is not planning on offering an early retirement incentive for 2023-2024 or 2024-2025.

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 to 2024) is shown below:

Year	ERS	TRS
2019-20	14.6%	8.86%
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	16.1	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11

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 State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of June 10, 2019, the District has established such reserve fund and has contributed $220,032 as of April 30, 2024. An ERS reserve in the amount of $171,268 was established on June 30, 2021 as well. As of April 30, 2024 the balance of the ERS reserve is $185,603.

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

Other Post Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The District implemented GASB 75. 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.

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.

The District contracted with Aquarius Capital, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2022 and 2023.

The following table outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

Balance beginning at:	June 30, 2021	June 30, 2022
	$ 66,013,701	$ 73,910,811
Changes for the year:		
Service cost	2,417,812	1,275,300
Interest on total OPEB liability	1,367,768	2,760,749
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	-
Changes in Assumptions or other inputs	5,252,010	(21,247,848)
Benefit payments	(1,140,480)	(1,362,770)
Net Changes	$ 7,897,110	$ (18,574,569)
Balance ending at:	June 30, 2022	June 30, 2023
	$ 73,910,811	**$ 55,336,242**

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

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.

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.

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

Other Information

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

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

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

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

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX-C" to this Continuing Disclosure Statement. Certain financial information of the School District can also be found attached as Appendices to the Continuing Disclosure Statement.

The School 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 School District is required to issue 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. The School District is currently in full compliance with GASB Statement No. 34.

New York State Comptroller Report of Examination

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 released its most recent audit report of the District on July 15, 2022. The purpose was to determine whether the District used resources to ensure the District's internet connectivity meets the Federal Communications Commission's (FCC) recommended bandwidth.

The District's Internet connectivity met the FCC's recommended bandwidth of 100 Megabits per second (Mbps) per 1,000 students, as guided by New York State Education Department (NYSED). When tested, the average wireless Internet download speed was 127 Mbps.

The District's contracted bandwidth totaled 1.0 Gigabits per second (Gbps) for Internet service.

Overall, of the 20 teachers surveyed (13 percent of the population),15 of 17 teachers responding to our survey were satisfied with their Internet connectivity.

Additionally, the District monitored bandwidth usage and provided a system for users to submit Internet connectivity issues for resolution.

The audit focused on the Internet connectivity in school buildings and did not look at the surrounding community's Internet connectivity. No recommendations resulted from this audit.

The State Comptroller also released an audit report of the District on September 27, 2019. The purpose of the audit was to determine whether claims were adequately documented, were for appropriate purposes and were properly audited and approved prior to payment. Key findings and recommendations of the audit report are summarized below:

Key Findings:

- Because the claims auditor was also the Athletic Director, his audit of the claims for the athletic department was not independent.
- We reviewed 127 claims totaling almost $752,500 and found that 59 claims totaling approximately $68,000 had at least one exception, such as a lack of purchasing agent approval prior to purchase, evidence of oral quotes, departmental approval, evidence of receipt of goods or services, or itemized receipts or invoices.

Key Recommendations:

- Ensure that the claims auditor is not directly involved in the purchasing function.
- Develop procedures to provide additional guidance on the claims auditor's responsibilities.

A copy of the complete reports, including the District's response, can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

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

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2023	No Designation	21.7
2022	No Designation	3.3
2021	No Designation	3.3

Note: The State Comptroller's assessment of the District for fiscal year ending June 30, 2024 is not available as of the date of this Continuing Disclosure statement

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

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TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Denmark	$ 46,106,890	$ 46,200,246	$ 46,537,899	$ 49,321,938	49,602,308
Greig	3,314,622	3,314,560	3,314,513	3,314,504	3,314,485
Harrisburg	21,182,695	21,171,575	22,024,275	22,412,651	22,515,027
Lowville	284,685,454	299,887,724	303,735,587	305,688,824	342,456,417
Martinsburg	63,644,833	64,372,791	65,941,351	65,582,652	66,501,105
Montague	35,375,358	35,743,374	36,203,035	36,452,758	38,715,884
New Bremen	4,741,394	5,353,198	5,262,503	5,215,932	5,458,986
Pinckney	21,157,844	21,189,234	21,465,469	27,035,399	27,538,134
Turin	8,208,170	8,371,544	8,418,088	8,470,454	8,596,081
Watson	86,178,868	87,120,169	88,326,038	88,979,899	89,826,522
West Turin	342,583	342,492	342,403	342,384	342,358
Total Assessed Values	$ 574,938,711	$ 593,066,907	$ 601,571,161	$ 612,817,395	$ 654,867,307
State Equalization Rates					
Towns of:					
Denmark	100.00%	100.00%	100.00%	95.00%	86.00%
Greig	95.00%	96.00%	97.00%	89.00%	74.50%
Harrisburg	100.00%	100.00%	100.00%	93.00%	79.00%
Lowville	100.00%	100.00%	100.00%	100.00%	100.00%
Martinsburg	100.00%	92.50%	93.50%	86.64%	78.00%
Montague	100.00%	97.00%	100.00%	95.00%	79.00%
New Bremen	97.00%	100.00%	100.00%	97.50%	85.00%
Pinckney	95.00%	83.00%	83.00%	100.00%	94.00%
Turin	100.00%	99.00%	100.00%	96.00%	85.00%
Watson	100.00%	100.00%	100.00%	92.00%	81.00%
West Turin	97.00%	92.00%	94.60%	89.00%	76.50%
Total Taxable Full Valuation	$ 576,383,972	$ 603,984,201	$ 610,673,917	$ 637,807,791	$ 724,523,529

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Denmark	$ 7.30	$ 7.36	$ 7.44	$ 7.88	7.81
Greig	7.68	7.66	7.67	8.41	9.01
Harrisburg	7.30	7.36	7.44	8.05	8.50
Lowville	7.30	7.36	7.44	7.48	6.71
Martinsburg	7.30	7.95	7.96	8.64	8.61
Montague	7.30	7.58	7.44	7.88	8.50
New Bremen	7.52	7.36	7.44	7.68	7.90
Pinckney	7.65	8.86	8.97	7.48	7.14
Turin	7.30	7.43	7.44	7.79	7.90
Watson	7.30	7.36	7.44	8.13	8.29
West Turin	7.53	7.99	7.87	8.41	8.78

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On November 1st, uncollected taxes are returnable to the County for collection. The School District receives this amount from the County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy	$ 4,320,428	$ 4,572,333	$ 4,661,056	$ 4,912,861	$ 5,044,027
Amount Uncollected (1)	417,378	411,100	393,118	402,492	386,146
% Uncollected	9.66%	8.99%	8.43%	8.19%	7.66%

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

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, unaudited estimates for the 2022-23 fiscal year and budgeted figures for the 2023-24 fiscal year comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2018-19	$ 26,725,115	$ 7,147,030	26.74%
2019-20	27,502,713	6,924,724	25.24
2020-21	26,470,478	6,313,662	23.85
2021-22	26,497,940	5,967,829	22.52
2022-23	27,605,329	6,237,089	22.59
2023-24 (Budgeted)	29,147,792	6,320,823	21.69
2023-24 (Unaudited)	30,381,617	6,331,679	20.84
2024-25 (Budgeted)	29,518,485	6,448,713	21.85

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 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.

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Larger Taxpayers 2023 for 2023-2024 Tax Roll

Name	Type	Taxable Assessed Valuation
National Grid	Utility	$ 18,515,734
State of New York	Forest Preserves	17,828,250
Kraft Heinz Food Company	Manufacturing	13,400,000
Iroquois Gas Transmission	Utility	8,890,614
Walmart	Commercial	4,903,700
Zeager Partnership LTD	Forest Land	3,883,200
NYS Electric & Gas	Utility	3,088,917
Thomas Eaves Jr.	Agricultural	2,972,402
D.C. Lowville	Housing	2,202,000
Millertime Express	Commercial	2,201,300

The ten larger taxpayers listed above have a taxable assessed valuation of $77,886,117 which represents 11.89% of the tax base of the School District.

Note: The District continues to be a major partner in a Payment in Lieu of Taxes (PILOT) Agreement with Flat Rock Windpower LLC, who operates Maple Ridge Wind Farm. The Maple Ridge Wind Farm consists of 195 wind turbines and was constructed within district boundaries in 2005-2006. The company received Empire Zone tax credits to assist in paying a PILOT to the local governments. However, in December of 2018, the original 15-year PILOT Agreement was renegotiated and replaced by a new 14-year Agreement through the Lewis County Industrial Development Agency to continue and extend the period of transition payments to help create a more gradual shift to a lower level of payment more closely reflecting reduced Project value. Under the new agreement, the District along with 7 additional municipalities will split $2.5 million in 2024 and $2 million from 2025 to 2031.

Note: Since the onset of the original PILOT, the District has carefully planned for this challenging circumstance to occur by establishing and funding an Energy System Tax Stabilization Reserve to provide a temporary buffer during this phase out period. The Board of Education recognizes that careful planning regarding the use of this reserve is essential, and their goal is to make strategic decisions which will insure a degree of safety and stability for the District's finances.

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

Source: District Tax Rolls.

STAR – School Tax Exemption

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

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $98,700 or less in 2023-2024, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 for the 2023-24 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

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

The below table lists the basic and enhanced exemption amounts for the 2023-24 District tax roll for the municipalities applicable to the District:

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
Denmark	$ 72,240	$25,800	4/9/2024
Greig	64,480	23,760	4/9/2024
Harrisburg	67,370	24,830	4/9/2024
Lowville	84,000	30,320	4/9/2024
Martinsburg	84,000	30,000	4/9/2024
Montague	68,820	25,370	4/9/2024
New Bremen	71,400	26,030	4/9/2024
Pinckney	78,960	28,200	4/9/2024
Turin	71,400	25,630	4/9/2024
Watson	68,040	24,560	4/9/2024
West Turin	64,480	23,760	4/9/2024

$407,306 of the District's $4,864,137 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

The expected exemption by the STAR Program for the 2024-2025 fiscal year is unavailable as of this Official Statement.

Additional Tax Information

Real Property located in the School District is assessed by the towns.

Veterans' and Senior Citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is approximately: agricultural – 9.12%, residential – 37.76%, vacant land – 3.39, commercial – 6.18%, recreational – 0.49%, community services – 13.12%, industrial – 2.21%, public service – 24.53%, forest land – 3.18%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the School District is approximately $2,134 including County, Town and School District Taxes.

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TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

Purpose and Pledge. The School District shall not give or loan any money or property to or in aid of any individual or private corporation 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 the principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

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

Debt Limit. 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 and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

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 District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

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

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

(1) Such obligations are authorized for a purpose for which the 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.

The School District has complied with this estoppel procedure in connection with the Notes.

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 School 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 Years Ending June 30:	2020	2021	2022	2023	2024
Bonds	$ 17,650,000	$ 15,535,000	$ 13,290,000	$ 10,855,000	$ 8,282,000
Total Debt Outstanding	$ 17,650,000	$ 15,535,000	$ 13,290,000	$10,855,0000	$ 8,282,000

Note: Totals above do not include advance refunded serial bonds outstanding, where applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of September 18, 2024.

Type of Indebtedness	Maturity		Amount
Bonds	2025-2032		$ 8,375,000
		Total Debt Outstanding	$ 8,375,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of September 18, 2024:

Full Valuation of Taxable Real Property			$ 724,523,529
Debt Limit 10% thereof			72,452,353
Inclusions:			
Bonds	$ 8,375,000		
Bond Anticipation Notes (BANs):	12,650,000		
Total Inclusions prior to issuance of the Notes	21,025,000		
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 21,025,000
Net Debt-Contracting Margin			$ 53,427,353
The percent of debt contracting power exhausted is			29.02%

(1) Based on preliminary 2024-2025 building aid estimates, the District anticipates State Building aid of 89.6% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds. See "THE SCHOOL DISTRICT – State Aid" herein.

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

Bonded Debt Service

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

Capital Project Plans

The District currently has a $100,000 capital outlay project.

On October 25, 2022 the District received voter approval for a $14,900,000 renovation project. The District plans to utilize a $2,250,000 reserve along with State Aid to completely fund the project. The District received approval from the State Education Department and is planning to receive bids in early 2024 with a summer 2024 construction schedule. One July 10, 2024, the District issued $12,650,000 bond anticipation notes that was the first borrowing against this authorization for the aforementioned purpose.

The District annually enters into obligations for the financing of vehicle purchases. On August 15, 2024 the District issued bonds in an amount of $395,000 to finance the purchase of school buses.

Other than as stated above, the District has no other authorized capital projects, nor are any contemplated at the present time.

Cash Flow Borrowings

The School District, historically, does not issue tax anticipation notes or revenue anticipation notes, nor budget or deficiency notes. Other than for the purpose of this issuance, the District does not expect to issue revenue anticipation notes or tax anticipation notes, nor budget or deficiency notes, in the current fiscal year, nor in fiscal year 2025-2026.

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Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Lewis	6/28/2023	$ 55,480,000 [3]	$ -	$ 55,480,000	25.58%	$ 14,191,784
Town of:						
Denmark	12/31/2022	576,042 [4]	- [5]	576,042	29.28%	168,665
Greig	12/31/2022	908,608 [4]	- [5]	908,608	1.44%	13,084
Harrisburg	12/31/2022	- [4]	- [5]	-	49.38%	-
Lowville	12/31/2022	1,238,013 [4]	- [5]	1,238,013	100.00%	1,238,013
Martinsburg	12/31/2022	1,883,099 [4]	- [5]	1,883,099	67.85%	1,277,683
Montague	12/31/2022	- [4]	- [5]	-	100.00%	-
New Bremen	12/31/2022	98,134.00 [4]	- [5]	98,134	2.82%	2,767
Pinckney	12/31/2022	114,822 [4]	- [5]	114,822	59.86%	68,732
Turin	12/31/2022	135,757 [4]	- [5]	135,757	10.68%	14,499
Watson	12/31/2022	4,358,000 [4]	- [5]	4,358,000	41.60%	1,812,928
West Turin	12/31/2022	419,214 [4]	- [5]	419,214	0.25%	1,048
Village of:						
Castorland	5/31/2022	428,030 [4]	- [5]	428,030	100.00%	428,030
Lowville	8/1/2023	35,086,473 [3]	32,552,200	2,534,273	100.00%	2,534,273
					Total:	$ 21,751,506

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

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

(3) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from annual financial information & operating data filings and/or official statements of the respective municipality.

(4) Gross Indebtedness sourced from local government data provided by the State Comptroller's office dated as of February 13, 2024.

(5) Information regarding excludable debt not available.

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Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of September 18, 2024:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 21,025,000	$ 2,443.35	2.90%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	42,776,506	4,971.12	5.90

[a] The 2022 estimated population of the District is 8,605. (See "THE SCHOOL DISTRICT - Population" herein.)

[b] The District's full value of taxable real estate for the 2023-2024 tax roll is $724,523,529. (See "TAX INFORMATION - Taxable Valuations" herein.)

[c] See "Debt Statement Summary" herein for the calculation of Net Direct Indebtedness.

[d] Estimated net overlapping indebtedness is $21,751,506. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

The enactment and continued implementation of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Notes. See “Tax Levy Limitation Law” herein.

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

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Complete copies of the proposed form of opinion of Bond Counsel are set forth in “APPENDIX – E”.

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes 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 exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect 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, 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 owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. Other than the tax certioraris petitions referenced under "Larger Taxpayers", the District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

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

CONTINUING DISCLOSURE

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

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 the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry-only format, 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.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto), and may require a supplement to the Final Official Statement depending on the timing of the receipt.

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

MISCELLANEOUS

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

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

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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

The School District's contact information is as follows: Ms. Sandra Rivers, Business Manager & Clerk, 7668 N. State Street, Lowville, New York 13367, Phone: (315) 376-9100, Email: srivers@lowvilleacademy.org.

The District's Bond Counsel contact information is as follows: Douglas E. Goodfriend, Esq., Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, 15th Floor, New York, New York 10019-6142, Phone: (212) 506-5211, Fax: (212) 506-5151, Email: dgoodfriend@orrick.com.

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

LOWVILLE CENTRAL SCHOOL DISTRICT

Dated: September 18 2024

AMY MARTI
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 2,389,956	$ 1,320,338	$ 1,910,429	$ 1,657,724	$ 1,027,520
Restricted Cash	13,472,855	13,024,465	13,369,099	13,996,657	13,092,454
Due from Other Funds	289,563	182,915	627,636	494,227	978,426
State and Federal Aid Receivable	708,038	2,032,444	865,662	1,191,056	858,754
Due from Fiduciary Funds	130	34	-	-	-
Due from Other Governments	975	48,241	26,673	174,601	90,610
Other Receivables	20,645	18,557	29,515	34,041	15,851
Prepaid Expenditures	9,905	9,905	9,905	16,114	35,733
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 16,892,067	$ 16,636,899	$ 16,838,919	$ 17,564,420	$ 16,099,348
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 22,434	$ 12,494	$ 33,869	$ 64,758	$ 80,814
Accrued Liabilities	52,880	25,706	316,275	327,488	337,486
Due to Other Funds	-	-	-	-	6,476
Due to Other Governments	16,803	-	42,399	42,399	45,709
Due to Fiduciary Funds	-	185	-	-	-
Due to Retirement System	1,226,227	1,068,710	1,169,961	1,216,501	1,294,918
Overpayments	-	-	-	-	-
Deferred Revenue	5,061	330,650	-	-	-
TOTAL LIABILITIES	1,323,405	1,437,745	1,562,504	1,651,146	1,765,403
FUND EQUITY					
Nonspendable	$ 9,905	$ 9,905	$ 9,905	$ 16,114	$ 35,733
Restricted	13,472,855	13,024,465	13,369,099	13,996,657	13,092,454
Assigned	1,939,569	1,183,254	965,534	925,512	612,059
Unassigned	146,333	981,530	931,877	974,991	593,699
TOTAL FUND EQUITY	15,568,662	15,199,154	15,276,415	15,913,274	14,333,945
TOTAL LIABILITIES and FUND EQUITY	$ 16,892,067	$ 16,636,899	$ 16,838,919	$ 17,564,420	$ 16,099,348

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 3,404,510	$ 3,492,142	$ 3,717,208	$ 3,994,692	$ 4,103,788
Other Tax Items	4,134,671	3,654,888	3,225,066	2,318,970	1,864,041
Charges for Services	194,999	107,296	122,361	94,103	145,399
Use of Money & Property	191,830	374,171	223,685	23,963	50,573
Sale of Property and Compensation for Loss	15,128	27,377	20,936	11,685	5,683
Miscellaneous	223,793	213,143	256,644	404,640	143,623
Revenues from State Sources	18,524,199	18,796,250	19,906,020	19,144,412	20,019,396
Revenues from Federal Sources	36,534	59,848	30,793	478,013	165,437
Total Revenues	$ 26,725,664	$ 26,725,115	$ 27,502,713	$ 26,470,478	$ 26,497,940
Other Sources:					
Interfund Transfers	-	-	-	-	97
Total Revenues and Other Sources	$ 26,725,664	$ 26,725,115	$ 27,502,713	$ 26,470,478	$ 26,498,037
EXPENDITURES					
General Support	$ 2,712,298	$ 2,776,371	$ 4,015,021	$ 2,867,010	$ 2,937,184
Instruction	13,185,794	13,369,735	13,373,485	13,335,197	12,719,807
Pupil Transportation	1,178,949	1,237,104	1,170,933	891,288	1,016,937
Community Services	46,996	49,346	49,346	51,130	-
Employee Benefits	5,633,287	5,829,915	5,796,013	5,872,431	5,681,661
Debt Service	-	3,338,550	3,338,850	3,339,800	3,382,288
Total Expenditures	$ 22,757,324	$ 26,601,021	$ 27,743,648	$ 26,356,856	$ 25,737,877
Other Uses:					
Interfund Transfers	3,576,587	117,430	128,573	36,361	123,301
Total Expenditures and Other Uses	$ 26,333,911	$ 26,718,451	$ 27,872,221	$ 26,393,217	$ 25,861,178
Excess (Deficit) Revenues Over Expenditures	391,753	6,664	(369,508)	77,261	636,859
FUND BALANCE					
Fund Balance - Beginning of Year	15,170,245	15,561,998	15,568,662	15,199,154	15,276,415
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 15,561,998	$ 15,568,662	$ 15,199,154	$ 15,276,415	$ 15,913,274

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2023			2024	2025
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 4,772,895	$ 4,350,813	$ 4,350,725	$ 4,867,876	$ 4,989,086
Other Tax Items	1,297,587	1,727,669	1,886,364	1,452,947	1,459,627
Charges for Services	-	69,250	137,349	-	-
Use of Money & Property	-	23,650	622,220	-	-
Sale of Property and Compensation for Loss	-	-	9,686	-	-
Miscellaneous	169,900	106,623	228,208	189,150	296,905
Revenues from State Sources	20,417,717	20,417,717	20,347,567	22,637,819	22,772,867
Revenues from Federal Sources	-	10,000	23,210	-	-
Total Revenues	$ 26,658,099	$ 26,705,722	$ 27,605,329	$ 29,147,792	$ 29,518,485
Other Sources:					
Interfund Transfers	-	-	7,784	1,000,000	1,200,000
Total Revenues and Other Sources	$ 26,658,099	$ 26,705,722	$ 27,613,113	$ 30,147,792	$ 30,718,485
EXPENDITURES					
General Support	$ 3,209,823	$ 3,455,626	$ 3,055,198	$ 3,470,811	$ 3,657,575
Instruction	14,387,123	14,562,995	13,440,683	15,110,590	15,651,364
Pupil Transportation	1,066,488	1,053,470	994,223	1,268,478	1,282,818
Community Services	3,000	3,000	-	-	4,000
Employee Benefits	6,501,650	6,225,290	5,849,222	6,464,523	6,699,739
Debt Service	3,435,015	3,475,853	3,475,853	3,523,390	3,262,989
Total Expenditures	$ 28,603,099	$ 28,776,234	$ 26,815,179	$ 29,837,792	$ 30,558,485
Other Uses:					
Interfund Transfers	155,000	2,405,000	2,377,263	310,000	160,000
Total Expenditures and Other Uses	$ 28,758,099	$ 31,181,234	$ 29,192,442	$ 30,147,792	$ 30,718,485
Excess (Deficit) Revenues Over Expenditures	(2,100,000) -	(4,475,512)	(1,579,329) -	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	2,100,000	4,475,512	15,913,274	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 14,333,945	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 2,867,000	$ 395,989	$ 3,262,989
2026	945,000	273,887	1,218,887
2027	910,000	227,565	1,137,565
2028	870,000	188,056	1,058,056
2029	835,000	148,388	983,388
2030	775,000	109,958	884,958
2031	720,000	73,750	793,750
2032	755,000	37,750	792,750
TOTALS	$ 8,677,000	$ 1,455,342	$ 10,132,342

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2017B - DASNY Capital Project Principal	Interest	Total	2017G - DASNY Refunding of 2011A DASNY Principal	Interest	Total
2025	$ 540,000	$ 256,500	$ 796,500	$ 2,025,000	$ 101,250	$ 2,126,250
2026	565,000	229,500	794,500	-	-	-
2027	590,000	201,250	791,250	-	-	-
2028	620,000	171,750	791,750	-	-	-
2029	655,000	140,750	795,750	-	-	-
2030	685,000	108,000	793,000	-	-	-
2031	720,000	73,750	793,750	-	-	-
2032	755,000	37,750	792,750	-	-	-
TOTALS	$ 5,130,000	$ 1,219,250	$ 6,349,250	$ 2,025,000	$ 101,250	$ 2,126,250

Fiscal Year Ending June 30th	2020 Purchase of Buses Principal	Interest	Total	2021 Purchase of Buses Principal	Interest	Total
2025	$ 75,000	$ 1,339	$ 76,339	$ 80,000	$ 2,200	$ 82,200
2026	75,000	446	75,446	80,000	1,350	81,350
2027	-	-	-	80,000	450	80,450
TOTALS	$ 150,000	$ 1,785	$ 151,785	$ 240,000	$ 4,000	$ 244,000

Fiscal Year Ending June 30th	2022 Purchase of Buses Principal	Interest	Total	2023 Purchase of Buses Principal	Interest	Total
2025	$ 75,000	$ 9,180	$ 84,180	$ 72,000	$ 25,520	$ 97,520
2026	75,000	6,724	81,724	85,000	13,240	98,240
2027	75,000	4,211	79,211	90,000	9,591	99,591
2028	80,000	1,468	81,468	90,000	5,838	95,838
2029				95,000	1,981	96,981
TOTALS	$ 305,000	$ 21,582	$ 326,582	$ 432,000	$ 56,170	$ 488,170

Fiscal Year Ending June 30th	2024 Purchase of Buses Principal	Interest	Total
2025	$ -	$ -	$ -
2026	65,000	22,627.50	87,628
2027	75,000	12,062.50	87,063
2028	80,000	9,000.00	89,000
2029	85,000	5,657.50	90,658
2030	90,000	1,958	91,958
TOTALS	$ 395,000	$ 51,305	$ 446,305

LOWVILLE CENTRAL SCHOOL DISTRICT

ESTIMATED MONTHLY CASH FLOW

(General Fund)

2024-2025 CASH FLOW	2024					2025								12 MONTH TOTAL
	September	*October*	*November*	*December 1-15*	*Dec 16-31*	*January*	*February*	*March*	*April*	*May*	*June*	*July*	*August*	
Beginning Balance:	$1,700,000	$957,867	$(238,305)	$(2,419,470)	$(5,584,345)	$(3,914,003)	$(2,475,901)	$(1,763,023)	$3,655,610	$3,289,412	$2,759,814	$(3,083,361)	$(3,966,811)	$1,700,000
Receipts:														
Property Taxes	2,820,000	1,200,000	100,000	-		180,000	-	303,574	-	-	-	-	-	4,603,574
STAR Revenues	-	-	-	-		383,001	-	-	-	-	-	-	-	383,001
State Aid	2,531,628	115,900	504,663	-	1,644,842	2,955,698	2,207,801	6,038,327	1,686,302	2,091,902	364,338	-	252,400	20,393,801
PILOT Payments	2,500	-	-	-	-	-	222,500	1,231,500	-	-	-	-	3,000	1,459,500
BOCES Aid	624,602	-	-	-	-	-	347,910	-	-	-	417,491	-	-	1,390,003
FEMA & Flood Insurance	1,025,000	-	-	-	-	-	-	-	-	-	-	-	5,000,000	6,025,000
Miscellaneous Receipts	18,000	18,000	18,000	-	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	216,000
Interest	7,500	7,500	7,500	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
RAN & Bond Issue		-	-	-		-		-	-	-	-		-	-
Total Receipts	$7,029,230	$1,341,400	$630,163	$0	$1,670,342	$3,544,199	$2,803,711	$7,598,901	$1,711,802	$2,117,402	$807,329	$25,500	$5,280,900	$34,560,879
Total Available Cash	$8,729,230	$2,299,267	$391,858	$(2,419,470)	$(3,914,003)	$(369,804)	$327,810	$5,835,878	$5,367,412	$5,406,814	$3,567,144	$(3,057,861)	$1,314,089	$36,260,879
Disbursements:														
Payroll and Fica/Med	1,138,000	1,149,572	1,852,328	1,138,000		1,138,000	1,138,000	1,240,268	1,138,000	1,707,000	2,826,630	322,950	376,775	15,165,523
Health/Dental Insurance	320,000	320,000	320,000	320,000		320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000	3,840,000
Accounts Payable	385,000	235,000	235,000	235,000		235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	2,970,000
BOCES	385,000	385,000	385,000	385,000		385,000	385,000	385,000	385,000	385,000	385,000	-	-	3,850,000
WC & ERS/Transfers				440,000		28,097					140,000	31,000		639,097
BAN Principal	-	-	-	-		-	-	-	-	-	-	-	-	0
BAN Interest	-	-	-	-		-	-	-	-	-	-	-	-	0
RAN Priniciple & Interest	-	-	-	-		-	-	-	-	-	-	-	-	0
Bond Principal	-	-	-	-		-	-	-	-	-	2,565,000	-	302,000	2,867,000
Bond Interest	-	-	-	178,875		-	12,833	-	-	-	178,875	-	25,406	395,989
Flood 1 Expenses	4,638,280	448,000	19,000	468,000										5,573,280
Flood 2 Expenses	905,083		-	-		-	-	-	-	-	-	-	-	905,083
Total Disbursements	$7,771,363	$2,537,572	$2,811,328	$3,164,875	$0	$2,106,097	$2,090,833	$2,180,268	$2,078,000	$2,647,000	$6,650,505	$908,950	$1,259,181	$36,205,972
Ending Balance:	$957,867	($238,305)	($2,419,470)	($5,584,345)	($3,914,003)	($2,475,901)	($1,763,023)	$3,655,610	$3,289,412	$2,759,814	($3,083,361)	($3,966,811)	$54,908	$54,908

Note: Beginning balance does not include Revenue Anticipation Note proceeds.

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note 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 Note.

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.

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 Note; 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 Note 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 Note (including holders of beneficial interests in the Note). The right of holders of the Note to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the 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 Note nor entitle any holder of the Note to recover monetary damages.

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

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

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LOWVILLE ACADEMY AND CENTRAL SCHOOL DISTRICT
LEWIS COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2023

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

LOWVILLE ACADEMY AND CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
June 30, 2023

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LOWVILLE ACADEMY AND CENTRAL SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

BOARD OF EDUCATION
LOWVILLE ACADEMY AND 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 Lowville Academy and 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 the Lowville Academy and 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 the Lowville Academy and Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lowville Academy and Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5-18), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 84), Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (pages 86-87), Schedule of District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 88), and Schedule of District's Contributions – NYSLRS Pension Plan (page 89), 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 Lowville Academy and Central School District's basic financial statements. The Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 90-96) and Schedule of Expenditures of Federal Awards (pages 103-104), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 90-96), and the Schedule of Expenditures of Federal Awards (pages 103-104) are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023 on our consideration of the Lowville Academy and 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 Lowville Academy and 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 Lowville Academy and Central School District's internal control over financial reporting and compliance.

Bowers & Company

Watertown, New York
September 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

INTRODUCTION

This section of Lowville Academy and Central School District's annual financial report features a discussion and analysis of financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's General Fund total fund balance decreased from $15.9 million to $14.3 million mostly due to allocating Capital Reserve funds to a newly approved project. Net position (deficit) decreased from -$8.1 million to -$10.3 million largely due the reporting of postemployment benefits.
- The District continued to offer all programs without reducing services and made improvements to the existing instructional programs to increase the quality of education the students receive.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two are *entity-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 operations in more detail than the entity-wide statements.
- The *governmental fund statements* tell how basic services such as instruction and support functions 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, including the employees of the district.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS - CONTINUED

The financial statements also include notes that provide additional information about the financial statements and the balances reported. 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. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

Table A-1: Organization of the District's Annual Financial Report

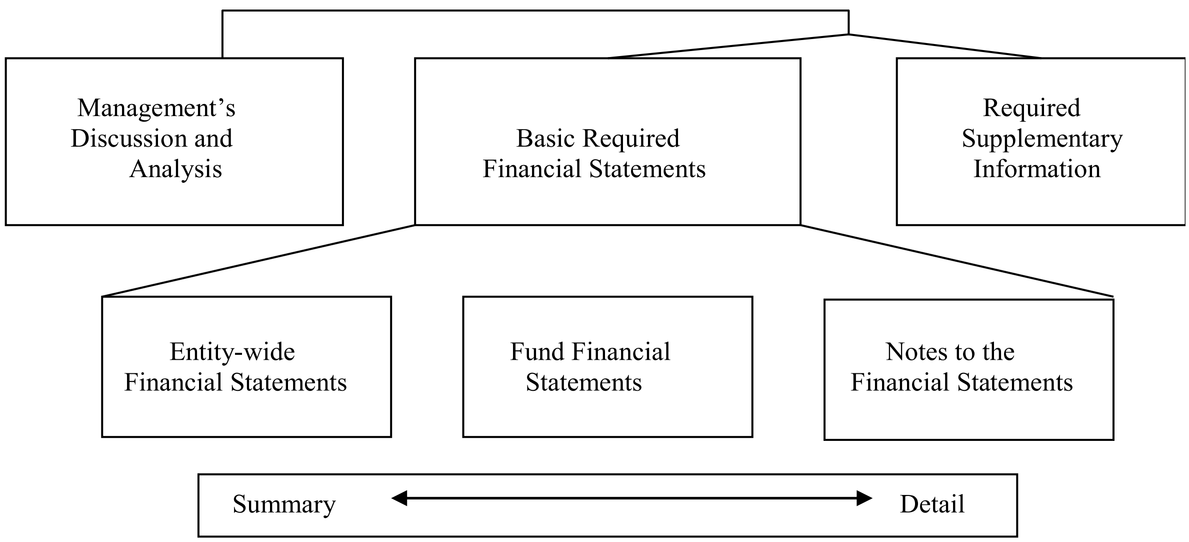


Table A-2: Summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of the overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS - CONTINUED

Table A-2: Major Features of the Entity-Wide and Fund Financial Statements

Table A-2	6/30/2023		
		Fund Financial Statements	
➡	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire entity (except Fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District acts as a trustee or acts as an agent for resources that belong to others but does not have administrative control, such as property taxes collected on behalf of other governments or scholarships in a trust
Required Financial Statements	1. Statement of Net Position	3. Balance Sheet	5. Statement of Fiduciary Net Position
	2. Statement of Activities	4. Statement of Revenues, Expenditures, and Changes in Fund Balance	6. Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow / Outflow Information	All revenues and expenses during year: regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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 District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS - CONTINUED

District-Wide Statements – Continued

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

- Over time, increases and decreases in net position is an indicator of whether the financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differs from the governmental fund balances, because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and intangible lease asset and allocate the depreciation and amortization to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate Net Position balances as follows:
    - *Net Investments in Capital Assets* - net capital assets reduced by outstanding balances of related debt obligations from such net capital assets;
    - *Restricted Net Position* - has constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions, or enabling legislation; and
    - *Unrestricted Net Position* - reports the balance of net position that does not meet any of the above restrictions.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established in accordance with the laws of the State of New York.

The District has two kinds of funds:

- *Governmental funds:* Most of the 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 fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the entity-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. In summary, the governmental fund statements focus primarily on the sources, uses and balances of current financial resources and often has a budgetary orientation. Included are the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Permanent Funds. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

- *Fiduciary funds:* The District is the trustee or *fiduciary* for assets that are being held for individuals, private organizations, or other governments that are not held in a trust, such as property taxes collected on behalf of other governments. 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 entity-wide financial statements, because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This report is developed using the economic resources measurement focus and the accrual basis of accounting. Required statements are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The District's net position decreased by 27% (-$8.1 million) to (-$10.3 million) as detailed in Tables A-3 and A-4.

Table A-3: Condensed Statement of Net Position-Governmental Activities (In Millions)

	Fiscal Year 2022	Fiscal Year 2023	Percent Change
Assets			
Current and Other Assets	$ 18.5	$ 18.9	2.1%
Capital Assets	41.7	41.1	-1.5%
Net Pension Asset - Proportionate Share	11.2	-	100.0%
Total Assets	$ 71.4	$ 60.0	-16.0%
Deferred Outflows of Resources			
Deferred Charge on Bond Refunding	$ 0.1	$ -	-100.0%
Other Postemployment Benefits	20.1	16.2	-19.6%
Pensions	7.5	7.6	1.9%
Total Deferred Outflows of Resources	$ 27.7	$ 23.8	-14.1%
Liabilities			
Current Liabilities	$ 1.8	$ 5.7	215.7%
Long-Term Liabilities	89.5	68.2	-23.8%
Total Liabilities	$ 91.3	$ 73.9	-19.1%
Deferred Inflows of Resources			
Other Postemployment Benefits	$ 1.7	$ 19.6	1053.9%
Pensions	14.2	0.6	-95.5%
Total Deferred Inflows of Resources	$ 15.9	$ 20.2	27.4%
Net Position			
Net Investment in Capital Assets	$ 26.9	$ 28.8	7.1%
Restricted	14.4	14.9	3.3%
Unrestricted (Deficit)	(49.3)	(54.0)	-9.5%
Total Net Position	$ (8.1)	$ (10.3)	-26.9%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - CONTINUED

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $10.3 million at the close of the most recent fiscal year. This represents $2.2 million decrease in the statement of net position for the year. The overall unrestricted deficit is largely due to the District's other postemployment benefit ("OPEB") liability. As of June 30, 2023, the OPEB liability was $55.3 million compared to $73.9 million reported at the close of the prior fiscal year. The overall decrease in net position in the current fiscal year is mainly due to the net OPEB expense of $3.2 million which reflects changes in the total OPEB liability and the related deferred outflows of resources and deferred 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. Included in deferred outflows of resources in the current year is $7.6 million related to the District's participation in the NYS TRS and ERS pension systems and $16.2 million related to the District's OPEB Plan.

In addition to liabilities, the *statement of net position* or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Included in deferred inflows of resources in the current year is $.6 million related to the District's participation in the NYS TRS and ERS pension systems, and $19.6 million related to the District's OPEB Plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - CONTINUED

Changes in Net Position

The District's fiscal year 2023 revenues totaled $32.4 million (See Table A-4). Property taxes (including payments in lieu of taxes) and state formula aid accounted for most of the District's revenue by contributing approximately 19 cents and 63 cents, respectively, of every dollar raised (See Table A-5). The remainder came from fees charged for services, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled $34.6 million for fiscal year 2023. These expenses (approximately 99 percent) are predominantly related to general support, instruction, school food service, and caring for and transporting students (See Table A-6). The District's debt service account for approximately 1 percent of total costs.

Table A-4: Changes in Net Position from Operating Results Governmental Activities Only (In Millions)

	Fiscal Year 2022	Fiscal Year 2023	Percent Change
Revenues			
Program Revenues			
Charges for Services	$ 0.2	$ 0.4	113.0%
Operating and Capital Grants	4.4	4.1	-6.3%
General Revenues			
Property Taxes	6.0	6.2	4.0%
State Formula Aid	20.0	20.5	2.3%
Investment Earnings	0.1	0.7	100.0%
Other	0.7	0.5	-24.0%
Total Revenues	$ 31.4	$ 32.4	3.3%
Expenses			
General Support	$ 6.2	$ 6.4	3.9%
Instruction	24.4	24.9	2.2%
Pupil Transportation	1.7	1.8	8.2%
Debt Service	0.5	0.4	-20.5%
School Food Service Program	1.0	1.1	11.6%
Total Expenses	$ 33.8	$ 34.6	2.4%
Change in Net Position	$ (2.4)	$ (2.2)	-8.6%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - CONTINUED

Changes in Net Position – Continued

Table A-5:

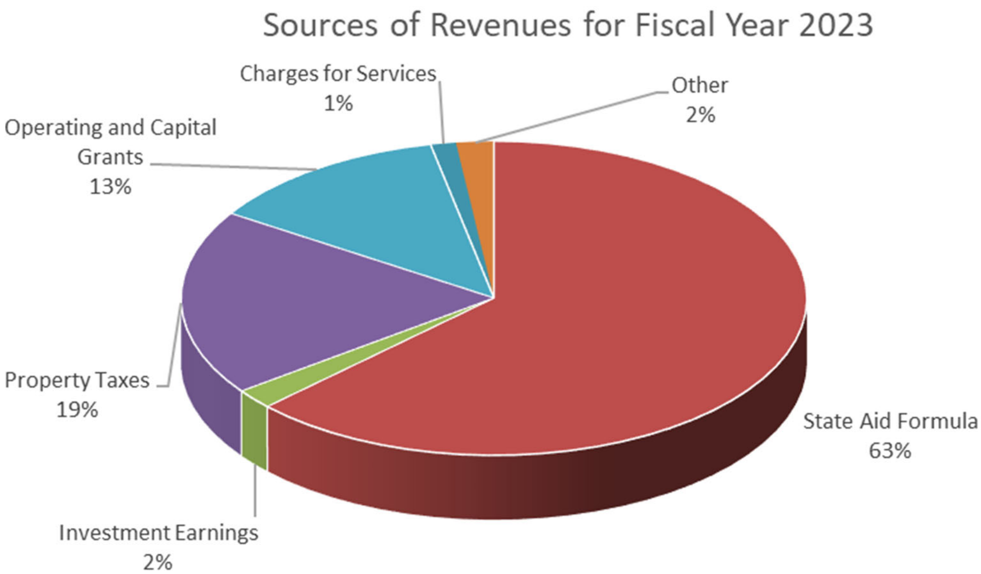
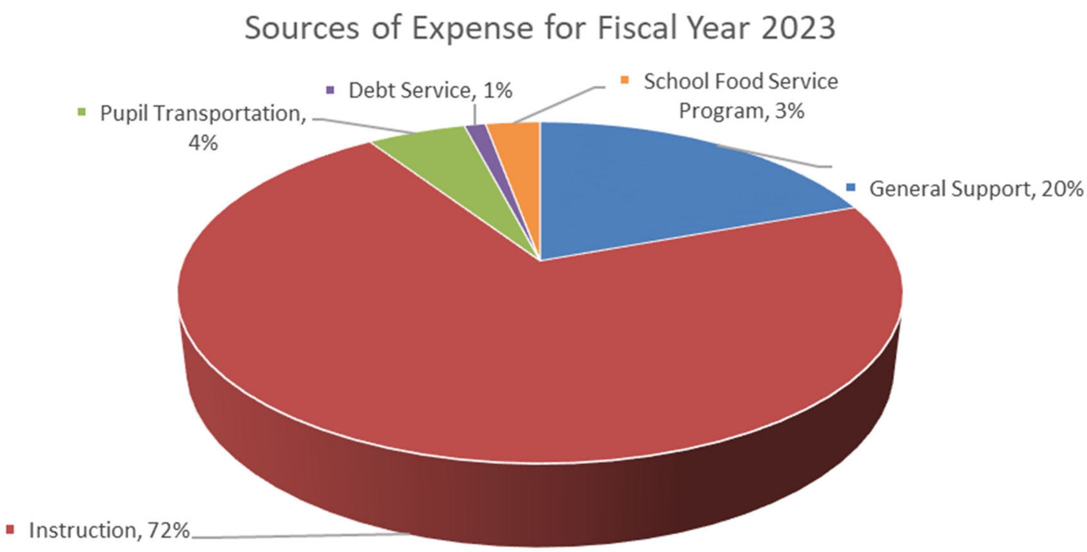


Table A-6:



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE - CONTINUED

Governmental Activities

Revenues for the District's governmental activities totaled $32.4 million while total expenses equaled $34.6 million. Therefore, the decrease in net position for governmental activities was $2.2 million in 2023.

Table A-7 presents the cost of five major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Table A-7: Net Cost of Governmental Activities (In millions) for Fiscal Year 2023

Category	Total Cost	Net Cost
General Support	$ 6.4	$ 6.4
Instruction	24.9	21.4
Pupil Transportation	1.8	1.8
Debt Service	0.4	0.4
School Food Service	1.1	0.1
Total	$ 34.6	$ 30.1

- The cost of all governmental activities this year was $34.6 million (Statement of Activities Expense column).

- The users of the District's programs ($0.4 million) financed some of the cost (Statement of Activities Charges For Services and Sales column).

- The Federal and State governments subsidized certain programs with grants and contributions ($4.1 million) (Statement of Activities Operating Grants and Capital Grants columns).

- Most of the District's net costs ($30.1 million) were financed by District taxpayers and State and Federal aid (Statement of Activities Net (Expenses) Revenue and Changes in Net Position column).

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the **current financial resources measurement focus** and the **modified accrual basis of accounting**. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payment for capital assets, and the current payments for debt.

Budgetary Highlights

Over the course of the year, the District revised the budget several times. These budget amendments fall into two categories:

- Changes made to account for significant events.
- Increases in appropriations to prevent budget overruns.

Significant variances between budget and actual are as follows:

Revenues

- Increase in local revenues ($.9 million) – underestimating PILOT revenues and interest earnings on investments.

Expenditures

- The District overestimated $0.4 million in the area of Teaching - Regular Instruction and Special Schools, $0.06 million for Programs for Students with Disabilities, $0.2 million for pupil services and $0.4 in Employee Benefits directly related to conservative budgeting approach and shifting spending to the federal grants.

- The District overestimated operation and maintenance expenses by $0.3 million and transportation expenses by $0.06 million mostly due to conservative budgeting approach and shifting some spending to the federal grants.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2023, the District had invested $80 million in a broad range of capital assets, including land, improvements, buildings, machinery and equipment, and vehicles.

Table A-8: Capital Assets (In millions)

Category	Fiscal Year 2022	Fiscal Year 2023	Percent Change
Land & Improvements	$ 9.5	$ 10.3	8.6%
Buildings	60.2	60.5	0.5%
Equipment & Furniture	9.1	9.0	-1.1%
Intangible Lease Asset	0.1	0.2	109.0%
Total	$ 78.9	$ 80.0	1.4%

Long-Term Debt

At year-end, the District had $71.4 million in general obligation and other long-term debt outstanding. More detailed information about the District's long-term liabilities is presented in the Notes to the Financial Statements.

Table A-9: Outstanding Long-Term Debt (In millions)

Category	Fiscal Year 2023
General Obligation Bonds	$ 12.1
Other General Obligation Liabilities	59.3
Total	$ 71.4

Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Other Postemployment Benefits* which the District adopted in 2018 requires the District to recognize the cost of future benefits rather than on a pay-as-you-go method. For Lowville, that analysis is limited to the provision of health care benefits into retirement. The cumulative net obligation at year end is $55.3 million. A complete discussion of the application of GASB Statement 75 can be found in Note 11.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Overcoming the long term educational and social-emotional consequences of the COVID-19 school shut-down will be an effort that will continue for years. Knowledge of the intensive needs students have as a result of isolation over time are still emerging and becoming clear to educators. The compounding impact of fewer hours of support and many students being in unfit homes for far too long has created a need for intervention services for an exponential number of students compared with typical years. The services and resources that will be required to address these needs will continue throughout the entire academic career for many of our students. It will be critically important to spend additional funds for curriculum, social-emotional training, parent out-reach, community response and personnel to create an educational environment that will allow for students to grow through these barriers and become confident and capable graduates. In addition, there seems to be an increasing trend of students requiring more intensive and costly special education services each year. We see these factors as ongoing/ unknown obligations.

- The Federal government allocated millions of dollars in relief funding to New York State earmarked for school districts to assist in responding to the coronavirus. The funding was to be spent over a three year period of time through 2024. The concern is for the potential funding cliff that may occur in the state's budget and their inability to fund state aid to schools at the expected level. Our district is heavily dependent on state aid to fund our local budget in addition to the extra needs previously identified. While the district has healthy reserves established, any loss of state aid will place a strain on our reserves and ultimately our school tax payers. The Board of Education recognizes that careful planning regarding the use of reserves is essential, and their goal is to makes strategic decisions which will insure a degree of safety and stability for the District's finances.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Lowville Academy and Central School District
Attn: School Business Manager
7668 N. State Street
Lowville, NY 13367
315-376-9100

STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
June 30, 2023

ASSETS		
Cash and Cash Equivalents		
Unrestricted	$	1,502,810
Restricted		15,413,006
Receivables		
State and Federal Aid		1,766,763
Due From Other Governments		90,610
Other		15,851
Inventories		63,646
Prepaid Expenses		35,733
Capital Assets, Net		41,072,842
TOTAL ASSETS	$	59,961,261
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	$	16,260,189
Pensions		7,646,154
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$	23,906,343
LIABILITIES		
Payables		
Accounts Payable	$	696,608
Accrued Liabilities		337,486
Due to Other Governments		45,899
Accrued Interest on Bonds Payable		29,432
Due to Teachers' Retirement System		1,182,910
Due to Employees' Retirement System		123,279
Unearned Credits		
Unearned Revenues - Other		15,842
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premium		3,289,530
Lease Liability		38,649
Due and Payable After One Year		
Bonds Payable, Net of Unamortized Premium		8,856,046
Lease Liability		74,050
Compensated Absences Payable		620,535
Other Postemployment Benefits Payable		55,336,242
Net Pension Liability - Proportionate Share		3,251,313
TOTAL LIABILITIES	$	73,897,821
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	$	19,616,229
Pensions		632,893
TOTAL DEFERRED INFLOWS OF RESOURCES	$	20,249,122
NET POSITION		
Net Investment in Capital Assets	$	28,814,567
Restricted		
Other Legal Restrictions		14,874,931
Unrestricted (Deficit)		(53,968,837)
TOTAL NET POSITION	$	(10,279,339)

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES

Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 6,441,016	$ -	$ -	$ (6,441,016)
Instruction	24,933,784	137,349	3,440,372	(21,356,063)
Pupil Transportation	1,838,785	-	-	(1,838,785)
Debt Service - Interest	397,599	-	-	(397,599)
School Food Service Program	1,115,670	288,621	680,755	(146,294)
Total Functions and Programs	$ 34,726,854	$ 425,970	$ 4,121,127	(30,179,757)
GENERAL REVENUES				
Real Property Taxes				4,350,725
Other Tax Items				1,886,364
Use of Money and Property				666,615
Sale of Property and Compensation for Loss				9,686
Loss on Disposal of Capital Assets				(69,054)
State Sources				20,450,399
Medicaid Reimbursement				23,210
Miscellaneous				668,052
Total General Revenues				27,985,997
Change in Net Position				(2,193,760)
Net Position - Beginning of Year				(8,085,579)
Net Position - End of Year				$ (10,279,339)

See notes to audited basic financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General	Special Aid	Capital Project District-Wide	Total Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents					
Unrestricted	$ 1,027,520	$ 105,499	$ -	$ 369,791	$ 1,502,810
Restricted	13,092,454	-	1,929,405	391,147	15,413,006
Receivables					
Due From Other Funds	978,426	6,476	-	21,604	1,006,506
State and Federal Aid	858,754	764,114	-	143,895	1,766,763
Due From Other Governments	90,610	-	-	-	90,610
Other	15,851	-	-	-	15,851
Inventories	-	-	-	63,646	63,646
Prepaid Expenditures	35,733	-	-	-	35,733
TOTAL ASSETS	$ 16,099,348	$ 876,089	$ 1,929,405	$ 990,083	$ 19,894,925
LIABILITIES					
Payables					
Accounts Payable	$ 80,814	$ 3,689	$ 528,075	$ 84,030	$ 696,608
Accrued Liabilities	337,486	-	-	-	337,486
Due to Other Funds	6,476	868,684	21,604	109,742	1,006,506
Due to Other Governments	45,709	-	-	190	45,899
Due to Teachers' Retirement System	1,182,910	-	-	-	1,182,910
Due to Employees' Retirement System	112,008	-	-	11,271	123,279
Unearned Credits					
Unearned Revenues	-	3,716	-	12,126	15,842
Total Liabilities	1,765,403	876,089	549,679	217,359	3,408,530
FUND BALANCES					
Nonspendable	35,733	-	-	63,646	99,379
Restricted	13,092,454	-	1,379,726	402,751	14,874,931
Assigned	612,059	-	-	306,327	918,386
Unassigned	593,699	-	-	-	593,699
Total Fund Balances	14,333,945	-	1,379,726	772,724	16,486,395
TOTAL LIABILITIES AND FUND BALANCES	$ 16,099,348	$ 876,089	$ 1,929,405	$ 990,083	$ 19,894,925

See notes to audited basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Fund Balance - Governmental Funds		$ 16,486,395
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Proportionate share of long-term asset and liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.		
Net Pension Liability - Proportionate Share - TRS	$ 1,141,818	
Net Pension Liability - Proportionate Share - ERS	2,109,495	(3,251,313)
Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:		
Pensions	$ 632,893	
Other Postemployment Benefits	19,616,229	(20,249,122)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:		
Pensions	$ 7,646,154	
Other Postemployment Benefits	16,260,189	23,906,343
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
The Cost of Capital Assets is	$80,094,676	
Accumulated Depreciation and Amortization is	(39,021,834)	41,072,842

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION - CONTINUED
June 30, 2023

Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the fund statements. Long-term liabilities, at year end, consist of:

Bonds Payable	$10,855,000	
Accrued Interest on Bonds Payable	29,432	
Lease Liability	112,699	
Compensated Absences Payable	620,535	
Other Postemployment Benefits Payable	55,336,242	
Premium on Bonds Payable	1,290,576	(68,244,484)
Total Net Position (Deficit) - Governmental Activities		$ (10,279,339)

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

Year Ended June 30, 2023

	General	Special Aid	Capital Project District-Wide	Total Non-Major Funds	Total Governmental Funds
REVENUES					
Real Property Taxes	$ 4,350,725	$ -	$ -	$ -	$ 4,350,725
Other Tax Items	1,886,364	-	-	-	1,886,364
Charges for Services	137,349	-	-	-	137,349
Use of Money and Property	622,220	-	-	44,395	666,615
Sale of Property and Compensation for Loss	9,686	-	-	-	9,686
State Sources	20,347,567	278,571	-	119,930	20,746,068
Medicaid Reimbursement	23,210	-	-	-	23,210
Federal Sources	-	3,156,266	-	588,741	3,745,007
Surplus Food	-	-	-	74,916	74,916
Sales - School Food Service	-	-	-	288,621	288,621
Miscellaneous	228,208	5,535	-	439,840	673,583
Total Revenues	27,605,329	3,440,372	-	1,556,443	32,602,144
EXPENDITURES					
General Support	3,055,198	-	-	-	3,055,198
Instruction	13,440,683	2,928,855	-	-	16,369,538
Pupil Transportation	994,223	-	-	-	994,223
Employee Benefits	5,849,222	541,011	-	123,164	6,513,397
Debt Service:					
Principal	2,844,621	-	-	-	2,844,621
Interest	631,232	-	-	-	631,232
Food Service Program:					
General Support	-	-	-	459,844	459,844
Cost of Sales	-	-	-	428,135	428,135
Other Expenditures	-	-	-	430,551	430,551
Capital Outlay	-	-	870,274	651,342	1,521,616
Total Expenditures	26,815,179	3,469,866	870,274	2,093,036	33,248,355
Excess (Deficiency) of Revenues Over Expenditures	790,150	(29,494)	(870,274)	(536,593)	(646,211)
OTHER FINANCING SOURCES AND (USES)					
Proceeds from Debt - Leases	-	-	-	85,488	85,488
Proceeds from Debt	-	-	-	370,000	370,000
Operating Transfers In	7,784	29,494	2,250,000	102,218	2,389,496
Operating Transfers (Out)	(2,377,263)	-	-	(12,233)	(2,389,496)
Total Other Financing Sources and (Uses)	(2,369,479)	29,494	2,250,000	545,473	455,488
Net Change in Fund Balances	(1,579,329)	-	1,379,726	8,880	(190,723)
Fund Balances - Beginning of Year	15,913,274	-	-	763,844	16,677,118
Fund Balances - End of Year	$ 14,333,945	$ -	$ 1,379,726	$ 772,724	$ 16,486,395

See notes to audited basic financial statements.

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

Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds			$ (190,723)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, assets including intangible lease assets with an initial, individual cost of more than $5,000 are capitalized and in the Statement of Activities the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization expense and loss on disposals exceeded capital outlays in the current period.			
	Capital Outlays	$ 2,151,408	
	Loss on Disposals	(69,054)	
	Depreciation and Amortization Expense	(2,748,707)	(666,353)
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt and lease repayments made in the current period.			2,844,621
Proceeds of long-term debt and lease obligations are recorded as an other financing source for governmental funds but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received and lease obligations in the			(455,488)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is decreased by the reduction in accrued interest on bonds and amortization of premium on bond issue.			233,633
In the Statement of Activities, certain operating expenses -- compensated absences (vacations and certain sick pay), special termination benefits (early retirement) -- are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).			11,324

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - CONTINUED
Year Ended June 30, 2023

On the Statement of Activities, the actual and projected long term expenditures for postemployment benefits and related deferred outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.			(3,176,353)
Decreases in proportionate share of net pension asset (liability) and related deferred outflows/inflows reported in Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.			
Teachers' Retirement System	$	(387,042)	
Employees' Retirement System		(407,379)	(794,421)
Change in Net Position of Governmental Activities			$ (2,193,760)

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

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

See notes to audited basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

	Custodial
ADDITIONS	
Taxes Collected for Other Governments (Library Levy)	$ 140,000
Total Additions	140,000
DEDUCTIONS	
Payment of Tax to Other Governments (Library Levy)	140,000
Total Deductions	140,000
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	$ -

See notes to audited basic financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Lowville Academy and 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 ten members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB 39, *Component Units*. 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.

Extra Classroom Activity Funds

The Extra Classroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management with the District having administrative involvement. Separate audited financial statements (cash basis) of the Extra Classroom Activity Funds can be found at the District's business office. Due to administrative involvement, the District accounts for assets in a special revenue fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Joint Venture

The District is one of 18 component school districts in the Jefferson-Lewis-Hamilton-Herkimer-Oneida Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the District was billed $3,491,558 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,352,290. This represents state aid distributions of $1,252,241 and 2022 fund balance returned to schools of $100,059.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation

District-Wide Statements

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

The Statement of Net Position presents the annual position of the District at fiscal year-end. The Statement of Activities presents a comparison between direct program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Statements

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

The District reports the following governmental funds:

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation – Continued

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

Extra Classroom Activity Funds: Used to account for funds of the students of the District which are restricted as to use by the various student organizations where the District has administrative involvement over the funds.

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

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

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 is used to account for the proceeds from the sale of capital assets up to the balance of the 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation – Continued

There is one class of fiduciary funds:

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

Measurement Focus and Basis of Accounting

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

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

The 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 collectible within 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2022 and became a lien on August 8, 2022. Taxes are collected during the period September 1, 2022 to October 31, 2022.

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

Restricted Resources

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

Interfund Transactions

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

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Cash and Cash Equivalents

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

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

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

Receivables

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

Inventories and Prepaid Items

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories and Prepaid Items - Continued

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

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

Other Assets

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

Capital Assets and Intangible Lease Assets

Capital assets are reported at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$ 5,000	SL	10-40 Years
Site Improvements	5,000	SL	10-20 Years
Furniture and Equipment	5,000	SL	4-20 Years

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets and Intangible Lease Assets – Continued

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. Intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying assets.

The District does not possess any infrastructure.

Deferred Outflows and Inflows of Resources

In addition to assets, the *Statement of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net change in actual and expected expenses and the changes of assumptions and other inputs. The third item is the District contributions to the New York State Teachers' and Employees' pension systems and to Other Postemployment Benefit (OPEB) plan subsequent to the measurement date.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Inflows of Resources - Continued

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

Unearned Revenue

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

Vested Employee Benefits

Compensated Absences

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Vested Employee Benefits - Continued

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

In the 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

District employees participate in the New York State Employees’ Retirement System and the New York State Teacher’s Retirement System.

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

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

Short-Term Debt

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Short-Term Debt - Continued

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less that the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

Accrued Liabilities and Long-Term Obligations

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

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

Equity Classifications

District-Wide Statements

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

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

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

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

Fund Statements

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

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Food Service Fund of $63,646 and prepaid items in the General Fund of $35,733.

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

Capital

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

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

Unemployment Insurance

According to General Municipal Law §6-m, 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.

Scholarships and Awards Fund

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

Extra Classroom Activity Funds

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

Insurance

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

Retirement Contributions

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

Energy System Tax Stabilization Reserve

In September 2016, a bill was signed into law by the Governor of New York State authorizing Lowville Academy and Central School District to establish a tax stabilization reserve. The creation of the reserve required authorization by a majority of the voters establishing the purpose and maximum allowable balance to be held. The voters approved the creation of the reserve on May 16, 2017. The purpose of the reserve is to lessen or prevent increases in the District's real property tax levy resulting from decreases in revenue due to changes in or termination of the payments in lieu of taxes receivable by the District. This reserve is accounted for in the General Fund.

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations 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.

Capital Project Funds

According to constraints placed on the use of resources established by approved capital projects, must be used for the specific purpose outlined in the approved proposition. These monies are accounted for in the Capital Projects Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

Restricted fund balance includes the following at June 30, 2023:

General Fund	
Capital	$ 19,392
Reserve for Employee Benefits and Accrued Liabilities	454,091
Unemployment Insurance Reserve	112,904
Reserve for State and Local Retirement System Contributions	177,680
Reserve for Teachers' Retirement System Contributions	210,640
Energy System Tax Stabilization Reserve	11,617,747
Insurance Reserve	500,000
Capital Projects Fund - District-Wide	1,379,726
Debt Service Fund	21,604
Extra Classroom Activity Funds	102,150
Scholarships and Awards Fund	278,997
Total Restricted Funds	$ 14,874,931

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.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications - Continued

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

Order of Use of Fund Balance

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

New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the District implemented the following new statement issued by GASB:

GASB has issued Statement No. 91, *Conduit Debt Obligations,* effective for the year ending June 30, 2023.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for the year ending June 30, 2023.

GASB has issued Statement No. 98, *The Annual Comprehensive Financial Report*, effective for the year ended June 30, 2023.

GASB has issued Statement No. 99, *Omnibus 2022*, effective for the year ended June 30, 2023.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Future Changes in Accounting Standards

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended June 30, 2024.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

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

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

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

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

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

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

1. Long-Term Revenue and Expense Differences:

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

2. Capital Related Differences:

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

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

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

3. Long-Term Debt Transaction Differences:

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

4. Pension Differences:

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

5. OPEB Differences:

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

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

Budgets - Continued

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The original budget was increased by $2,297,623. The increase reflects adjustments for donations received of $47,623 and the transfer of reserve and fund balance funds in the amount of $2,250,000 for the capital project approved by the voters on October 25, 2022.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

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

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

Encumbrances

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

Other

The portion of the School Food Service did not comply with federal regulations 7CFR Part 210.14 (b) which requires the fund balance not to exceed three months' worth of expenses. The District has excess fund balance of $66,720 as of June 30, 2023.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

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

Cash

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

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

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 3,029,238

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $13,092,454 restricted for various fund balance reserves in the General Fund, $1,929,405 restricted for a voter approved capital project in the Capital Project – District-Wide fund, $102,150 restricted in the Extra Classroom Activity Funds, and $288,997 restricted in the Scholarships and Awards Fund.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2023 all deposits were fully insured and collateralized by the District's agent, but not in the District's name.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

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

Cash - Continued

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

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

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

Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. The investment pool is categorically exempt from the New York State collateral requirements. At June 30, 2023, the District held $11,205,314 in the General Fund, $236,168 in the School Food Service Fund, and $288,997 in the Scholarships and Awards Fund through the cooperative as unrestricted and restricted cash and cash equivalents. Amounts represent the cost of the investment pool shares and are considered to approximate net asset value. Additional information concerning the cooperative is presented in the annual report of NY Class.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS

Capital asset balances and activity were as follows:

Governmental Activities	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	$ 955,278	$ -	$ 206,677	$ 1,161,955
Construction-in-Progress	19,648	967,744	(323,796)	663,596
Total Nondepreciable Assets	974,926	967,744	(117,119)	1,825,551
Other Capital Assets:				
Buildings and Improvements	60,172,951	201,745	97,471	60,472,167
Site Improvements	8,490,025	-	-	8,490,025
Furniture and Equipment	9,188,281	890,431	(980,826)	9,097,886
Intangible Lease Assets	93,559	115,488	-	209,047
Total Other Capital Assets	77,944,816	1,207,664	(883,355)	78,269,125
Less: Accumulated Depreciation				
Buildings and Improvements	25,992,855	1,592,972	-	27,585,827
Site Improvements	5,278,635	370,129	-	5,648,764
Furniture and Equipment	5,892,997	730,652	(907,420)	5,716,229
Less: Accumulated Amortization				
Intangible Lease Assets	16,060	54,954	-	71,014
Total Accumulated Depreciation and Amortization	37,180,547	2,748,707	(907,420)	39,021,834
Total Other Capital Assets, Net	40,764,269	(1,541,043)	24,065	39,247,291
Capital Assets, Net	$ 41,739,195	$ (573,299)	$ (93,054)	$ 41,072,842

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

General Support	$ 2,071,179
Instruction	335,542
Pupil Transportation	325,207
School Food Service Program	16,779
Total Depreciation and Amortization Expense	$ 2,748,707

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 - SHORT-TERM DEBT

There were no short-term debt financing transactions during the year ended June 30, 2023.

NOTE 7 - LONG-TERM DEBT OBLIGATIONS

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

Serial Bonds

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

Lease Liabilities

The District enters into agreements to lease information technology equipment and Fair Grounds property. Leases with a lease term greater than twelve months are recorded at the present value of the future minimum lease payments as of the date of their inception.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 - LONG-TERM DEBT OBLIGATIONS – Continued

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

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and Notes Payable					
General Obligation Debt					
Serial Bonds	$ 13,290,000	$ 370,000	$ 2,805,000	$ 10,855,000	$ 3,005,000
Premium on Bonds	1,575,106	-	284,530	1,290,576	284,530
Total Bonds & Notes Payable	14,865,106	370,000	3,089,530	12,145,576	3,289,530
Other Liabilities					
Compensated Absences Payable	631,859	-	11,324	620,535	-
Other Postemployment Benefits Payable	73,910,811	-	18,574,569	55,336,242	-
Net Pension Liability - Proportionate Share	-	3,251,313	-	3,251,313	-
Lease Liability	66,832	85,488	39,621	112,699	38,649
Total Other Liabilities	74,609,502	3,336,801	18,625,514	59,320,789	38,649
Total Governmental Activities	$ 89,474,608	$ 3,706,801	$ 21,715,044	$ 71,466,365	$ 3,328,179

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

Existing serial and statutory bond obligations as of June 30, 2023 are as follows:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
2017 Serial Bonds	06/08/17	06/15/32	3.00 - 5.00%	$ 5,640,000
Refunding Bond	11/09/17	06/15/25	2.00-5.00%	4,305,000
2020 Serial Bonds	08/25/20	08/15/25	1.19%	225,000
2021 Serial Bonds	08/18/21	08/15/26	1-1.125%	315,000
2022 Serial Bonds	09/01/22	08/15/27	2.25-3.67%	370,000
				$ 10,855,000

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 - LONG-TERM DEBT OBLIGATIONS – Continued

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

	Principal	Interest	Total
2024	$ 3,005,000	$ 518,389	$ 3,523,389
2025	2,795,000	370,469	3,165,469
2026	795,000	238,020	1,033,020
2027	745,000	205,911	950,911
2028	700,000	173,218	873,218
Thereafter	2,815,000	360,250	3,175,250
Total	$ 10,855,000	$ 1,866,257	$ 12,721,257

Existing lease obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Computer Equipment - RIC	2/12/2021	12/1/2023	2.37%	$ 9,204
Computer Equipment - RIC	5/1/2022	12/1/2024	3.59%	56,278
Fairgrounds Property - Fair Board	7/1/2000	10/31/2063	2.00%	47,217
				$ 112,699

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

	Principal	Interest	Total
2024	$ 38,649	$ 2,190	$ 40,839
2025	30,308	1,108	31,416
2026	836	913	1,749
2027	847	903	1,750
2028	867	883	1,750
Thereafter	41,192	16,935	58,127
Total	$ 112,699	$ 22,932	$ 135,631

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 - LONG-TERM DEBT OBLIGATIONS – Continued

Advanced Refunding

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At June 30, 2023, the amount of outstanding defeased bonds totaled approximately $4,470,000.

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

Interest Paid	$	631,232
Less: Interest Accrued in the Prior Year		(27,600)
Plus: Interest Accrued in the Current Year		29,432
Less: Amortization of Bond Premium		(284,530)
Plus: Amortization of Deferred Charge on Bond Refunding		49,065
Total Interest on Long-Term Debt	$	397,599

NOTE 8 - PENSION PLANS

General Information

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

Teachers' Retirement System (TRS) Plan Description

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

Employees' Retirement System (ERS) Plan Description

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided

Benefits

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

Tier 1

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

Tier 2

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

Tier 3

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

Tier 4

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

Tier 5

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Tier 6

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

Service Retirements

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

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

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

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

Vested Benefits

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

TRS Benefits Provided - Continued

Disability Retirement

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

Death Benefits

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

Prior and Military Service

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

Tier Reinstatement

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

Permanent Cost-of-Living Adjustment (COLA)

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

ERS Benefits Provided

Benefits

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

Tiers 1 and 2

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

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

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

Tiers 3, 4, and 5

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

NOTE 8 - PENSION PLANS - Continued

ERS Benefits Provided - Continued

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

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

Tier 6

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

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

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

NOTE 8 - PENSION PLANS - Continued

ERS Benefits Provided - Continued

Vested Benefits

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

Disability Retirement Benefits

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. (The District chose to prepay the required contributions by December 15, 2022 and received an overall discount of $2,744).

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

	NYSTRS	NYSERS
2022 - 2023	$ 1,033,047	$ 381,570
2021 - 2022	982,644	480,334
2020 - 2021	914,447	436,659

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

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

At June 30, 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	March 31, 2023	June 30, 2022
District's Proportionate Share of the Net Pension Asset (Liability)	$ (2,109,495)	$ (1,141,818)
District's Portion (%) of the Plan's Total Net Pension Asset (Liability)	0.0098372%	0.059504%
Change in Proportion (%) Since the Prior Measurement Date	0.0010446%	-0.001245%

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

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

For the year ended June 30, 2023, the District's recognized pension expense of $387,042 for TRS and $407,379 for ERS. 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	$ 224,678	$ 1,196,480	$ 59,243	$ 22,880
Changes of Assumptions	1,024,507	2,214,933	11,323	459,956
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,475,337	12,393	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	181,622	122,931	30,889	36,209
District's Contributions Subsequent to the Measurement Date	123,279	1,082,387	-	-
Total	$ 1,554,086	$ 6,092,068	$ 113,848	$ 519,045

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended June 30, 2024, if applicable. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the year ended as follows:

	ERS	TRS
2024	$ 326,314	$ 866,245
2025	(72,406)	465,947
2026	466,493	(161,592)
2027	596,558	2,911,806
2028	-	383,833
Thereafter	-	24,397

NOTE 8 - PENSION PLANS - Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	**TRS**
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

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

For ERS, the actuarial assumptions used in the April 1, 2022 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, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - 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 weighting the expected future real rates of return by each 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 as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Asset Type		
Domestic Equity	4.30%	6.50%
International Equity	6.85%	7.20%
Private Equity	7.50%	9.90%
Global Equity		6.90%
Real Estate	4.60%	6.20%
Opportunistic/Absolute Return Strategies Portfolio	5.38%	
Credit	5.43%	
Real Assets	5.84%	
Fixed Income	1.50%	
Cash		-0.30%
Private Debt		5.30%
Real Estate Debt		2.40%
Domestic Fixes Income Securities		1.10%
Global Bonds		0.60%
High-Yield Bonds		3.30%

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

Discount Rate

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

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	$ (5,097,745)	$ (2,109,495)	$ 387,535

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	$ (10,528,093)	$ (1,141,818)	$ 6,751,978

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - PENSION PLANS - Continued

Pension Plan Fiduciary Net Position

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

	(In Thousands)		
	ERS	**TRS**	**Total**
Measurement Date	March 31, 2023	June 30, 2022	
Employer's Total Pension Asset (Liability)	$ (232,627,259)	$ (133,883,474)	$ (366,510,733)
Plan Net Position	211,183,223	131,964,582	343,147,805
Employer's Net Pension Asset (Liability)	$ (21,444,036)	$ (1,918,892)	$ (23,362,928)
Ratio of Plan Net Position to the Employer's Total Pension Asset (Liability)	90.78%	98.57%	

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, 2023 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 $123,279. 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, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to $1,182,910.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund balances at June 30, 2023 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	$ 978,426	$ 6,476	$ 7,784	$ 2,377,263
Special Aid	6,476	868,684	29,494	-
School Food Service	-	6,910	299	-
Capital Projects Fund - Smart Schools	-	102,832	-	-
Capital Projects Fund - District-Wide	-	21,604	2,250,000	-
Capital Project Fund - Buses	-	-	-	4,449
Capital Project Fund - Mini-Renovation	-	-	97,471	-
Debt Service	21,604	-	4,448	7,784
Total Governmental Funds	$ 1,006,506	$ 1,006,506	$ 2,389,496	$ 2,389,496

The District typically loans resources between funds for the purpose of mitigating the effects of cash flow issues. The General Fund advanced funds to the Special Aid Fund to provide temporary cash until New York State has reimbursed the grant programs. Unexpended funds from a capital project are transferred to the debt service fund upon completion.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 10 – FUND BALANCE EQUITY

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2023:

Fund Balances	General	Capital Project District-Wide	Total Non-Major Funds	Total Governmental Funds
Nonspendable				
Prepaid Expenditures	$ 35,733	$ -	$ -	$ 35,733
Inventory	-	-	63,646	63,646
Restricted				
Capital	19,392	1,379,726	-	1,399,118
Reserve for Employee Benefits and Accrued Liabilities	454,091	-	-	454,091
Unemployment Insurance Reserve	112,904	-	-	112,904
Reserve for State and Local Retirement System Contributions	177,680	-	-	177,680
Reserve for Teachers' Retirement System Contributions	210,640	-	-	210,640
Energy System Tax Stabilization	11,617,747	-	-	11,617,747
Insurance Reserve	500,000	-	-	500,000
Debt Service	-	-	21,604	21,604
Extra Classroom Activity	-	-	102,150	102,150
Scholarships and Awards	-	-	278,997	278,997
Assigned				
Designated for Next Fiscal Year	400,000	-	-	400,000
School Food Service	-	-	306,327	306,327
General Support	115,872	-	-	115,872
Instruction	95,187	-	-	95,187
Employee Benefits	1,000	-	-	1,000
Unassigned				
General Fund	593,699	-	-	593,699
Total Governmental Fund Balances	$ 14,333,945	$ 1,379,726	$ 772,724	$ 16,486,395

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	141
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	230
Total Covered Employees	371

The District participates in the Jefferson-Lewis Et. Al. Employees' Healthcare Insurance Plan (the Plan). The Plan allows eligible District employees and spouses to continue health coverage upon retirement. The Plan does issue a publicly available financial report.

Plan Eligibility:

- Administrators must be at least age 55 with 6 years of service.
- Teachers hired before January 1, 2012 must be age 55 with 10 years of service and those hired after January 1, 2012 must be age 55 with 15 years of service.
- Non-instructional employees hired before July 1, 2006 must be age 55 with 5 years of service and those hired after July 1, 2006 must be age 55 with 15 years of service.
- Confidential/Management employees must be age 55 with 10 years of service.
- Superintendent must be age 55 with 20 years of service.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

General Information about the OPEB Plan – Continued

Plan Eligibility:

- Administrative service credit may include up to 5 years of full-time service at the District or elsewhere. Administrators and teachers must also be eligible to retire under New York State Retirement System (TRS).

Duration of Coverage:

- Retiree benefits continues for the life of the retiree. Spousal benefits continue for the life of the spouse.

Surviving Spouse Coverage:

- Surviving spouses are permitted to continue coverage after the death of the retiree but are responsible for paying 65% of the plan premium.

Retiree Contributions:

- Teachers, Confidential/Management, and Support Staff retired after July 1, 2008 with single contracts pay 35% of the plan premium. These retirees with dual or family contracts pay 65% of the plan premium less single premium.
- Superintendents with single contracts pay 10% of the plan premium. Superintendents with dual or family contracts pay 50% of the plan premium less single premium.
- Administrators and Business Managers contributions vary based on years of service as follows:
  - 6 years of service: 50% of single premium; 65% of family premium less single premium.
  - 7-14 years of service: 30% of single premium; 50% of family premium less single premium.
  - 15-19 years of service: 20% of single premium; 50% of family premium less single premium.
  - 20 or more years of service: 15% of single premium; 50% of family premium less single premium.
  - 25 or more years of service: 5% or 10% of single premium; 50% of family premium less single premium.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

General Information about the OPEB Plan – Continued

Retiree Contributions:

- Administrators and Business Managers with 25+ years of service will be required to contribute 5% of the single premium if they were hired prior to July 1, 2011 or 10% of the single premium if they were hired on or after July 1, 2011. In addition, the 5 years of service of full-time teaching service that may be applied toward service must have been completed only at the District.
- All other retirees with single contracts pay 45% of the plan premium. These retirees with dual or family contracts pay 65% of the plan premium less single premium.

Medicare Part B Premiums:

- Medicare Part B premiums are reimbursed by the District for both retirees and spouses at 100% for Administrators, Confidential/Management, Superintendent, Support Staff (retired before 7/1/15), and Teachers (for spouses of Teachers, must have been retired before 7/1/2012 or else spouses pay 5% of premiums). Support staff retired on or after 7/1/15 are required to pay 5% of Medicare Part B premiums. Surviving spouses are required to pay 100% of premiums.

Medical Benefits:

- Retiree healthcare benefits are provided through the Provider Choice POS Plan and the Traditional Plan.
    - The Traditional Plan is a self-insured indemnity plan offered through Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES with benefits administered by UMR and Express Scripts.
    - The Provider Choice POS Plan is a self-insured POS plan offered through Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES with benefits administered by UMR and Express Scripts.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2023, the District recognized $1,123,383 for its share of insurance premiums for currently enrolled retirees.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Total OPEB Liability

The District has obtained an actuarial valuation report as of June 30, 2023 which indicates that the total liability for other postemployment benefits is $55,336,242 which is reflected in the Statement of Net Position. The OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions	
Measurement Date	06/30/22
Rate of Compensation Increase	3.00%
Discount Rate	3.77%
Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.00%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.50%
Actuarial Cost Methods	Entry Age Normal
Amortization Method	Level Percentage
Amortized Period (in Years)	7.78

The discount rate was based on using an average of three 20-year bond indices (e.g. Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, and Fidelity GA AA 20 Years) as of June 30, 2022.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Total OPEB Liability - Continued

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 – June 30, 2022. Benefit obligations are projected to the measurement date using roll forward techniques by assuming no actuarial gains or losses in the interim, except for those assumption changes necessary to reflect the assumptions as of the measurement date.

Changes in the Total OPEB Liability

Balance at June 30, 2022	$ 73,910,811
Changes for the Year	
Service Cost	1,275,300
Interest	2,760,749
Changes of Assumptions or Other Inputs	(21,247,848)
Contributions from Employer	(1,362,770)
Net Changes	(18,574,569)
Balance at June 30, 2023	$ 55,336,242

Changes of assumption and other inputs reflect a change in the discount rate from 2.09 percent as of June 30, 2021 to 3.77 percent as of June 30, 2022.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

Changes in the Total OPEB Liability - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77 percent) or 1 percentage point higher (4.77 percent) than the current discount rate:

	1% Decrease 2.77%	Discount Rate 3.77%	1% Increase 4.77%
Total OPEB Liability	$ 67,084,557	$ 55,336,242	$ 46,371,222

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (trend decreasing to 3.5 percent) or 1 percentage point higher (trend decreasing to 5.5 percent) than the current healthcare cost trend rate:

	1% Decrease (Trend Less 1% Decreasing to 3.50%)	Healthcare Cost Trend Rates (Trend Decreasing to 4.50%)	1% Increase (Trend Plus 1% Decreasing to 5.50%)
Total OPEB Liability	$ 45,699,676	$ 55,336,242	$ 68,182,946

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS - Continued

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

For the year ended June 30, 2023, the District recognized OPEB expense of $3,176,353. 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
Changes of Assumptions or Other Inputs	$ 14,923,489	$ 19,616,229
Benefit Payments Subsequent to the Measurement Date	1,336,700	-
	$ 16,260,189	$ 19,616,229

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

Fiscal Year Ending June 30,	
2024	$ 643,168
2025	875,393
2026	739,404
2027	(267,229)
2028	(1,881,491)
Thereafter	(4,801,985)
	$ (4,692,740)

NOTE 12 - RISK MANAGEMENT

General

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

Pooled Non-Risk-Retained

The District participates in the Jefferson-Lewis Et. Al. School Employees' Healthcare Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of sixteen individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to $750,000 per insured event. The pool obtains independent coverage for insured events in excess of the $750,000 limit and the District has essentially transferred all related risk to the pool.

The District participates in the Black River Valley School Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is $0.

NOTE 13 - CONTINGENCIES AND COMMITMENTS

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

Three separate claims were filed against the District pursuant to NYS's Child Victims Act (CVA). The complaints seek unspecified monetary damages. Management believes that the likelihood of loss is possible but an amount cannot be reasonably estimated, therefore, no provision for loss has been recorded in the financial statements. The District plans on funding any settlement from the Insurance Reserve and/or future appropriations.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 – DONOR-RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for various scholarships.

Donor-restricted endowments are reported at fair value.

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

NOTE 15 – TAX ABATEMENTS

The District receives revenue through a number of Payment in Lieu of Taxes (PILOT) agreements with various local businesses, housing developments and a large windmill farm. The PILOT agreements were granted by either the Lewis County Industrial Development Agency or approved directly by the municipalities where the properties are located. The purpose of the agreements is to provide real property tax abatement for value added by construction or renovations. In most cases, unless otherwise agreed to by the local taxing jurisdictions, the period of exemption will not exceed ten (10) years. The largest PILOT, a 15-year agreement with Flat Rock Windpower LLC began in 2006. The agreement stated Maple Ridge would operate 195 wind turbines and receive Empire Zone tax credits to assist in paying a PILOT to the local governments. However, in December of 2018 this PILOT Agreement was renegotiated and replaced by a new 14-year Agreement to continue and extend the period of transition payments to help create a more gradual shift to a lower level of payment more closely reflecting reduced Project value. Due to the renegotiated PILOT agreement, Flat Rock Windpower LLC is currently paying more than they would be in taxes based upon their assessed value. As the agreement progresses, the payments will level off and the abatement will resume. For the fiscal year ended June 30, 2023, the District's portion of pilot payments was $1,455,757.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 15 – TAX ABATEMENTS - Continued

For the fiscal year ended June 30, 2023, the District abated the following taxes:

Owner	End Date	Total Value of Project w/o PILOT	Amt of Project Taxed	2022 % Abated	Abated Total	Appr. Tax Rate	Appr. Taxes Foregone
Victorian Lake (IDA)	2024	$ 917,200	$ 825,480	10%	$ 91,720	7.483012	$ 686
Brookside Redevelopment	2027	9,900,000	4,569,306	54%	5,330,694	7.483012	39,890
The Nature Conservancy-Martinsburg	2024	214,600	23,401	89%	191,199	8.637055	1,651
The Nature Conservancy-Montague	2024	1,996,576	238,726	88%	1,757,850	7.87677	13,846
The Nature Conservancy-West Turin	2024	154,700	17,333	89%	137,367	8.405767	1,155
Lowville Heights Association	2036	900,000	303,364	66%	596,636	7.483012	4,465
Castorland Housing	Indefinite	1,116,900	330,309	70%	786,591	7.877238	6,196
Copenhagen Wind Farm	2039	17,400,000	4,832,746	72%	12,567,254	7.877238	98,995
Roaring Brook Wind Farm	2051	48,838,640	27,322,507	44%	21,516,133	8.637055	185,836
Waters Rd N, LLC	2048	2,741,400	1,337,886	51%	1,403,514	7.483012	10,503
Waters Rd S, LLC	2048	1,046,601	526,857	50%	519,744	7.483012	3,889
Flat Rock Solar Fund	2048	3,260,200	1,385,338	58%	1,874,862	7.483012	14,030
						Total Taxes Foregone	$ 381,142

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS
Ended June 30, 2023

Total OPEB Liability	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Service Cost	$ 1,275,300	$ 2,417,812	$ 2,070,571	$ 1,410,906	$ 1,279,220	$ 1,510,693
Interest	2,760,749	1,367,768	1,309,213	1,479,283	1,317,607	1,157,599
Difference between Expected and Actual Experience	-	-	-	-	10,012,111	-
Changes in Assumptions or Other Inputs	(21,247,848)	5,252,010	9,538,963	4,696,243	(437,367)	(4,494,975)
Benefit Payments	-	-	-	-	(626,233)	(522,169)
Contributions from Employer	(1,362,770)	(1,140,480)	(1,122,625)	(959,530)	-	-
Net Change in Total OPEB Liability	(18,574,569)	7,897,110	11,796,122	6,626,902	11,545,338	(2,348,852)
Total OPEB Liability - Beginning	73,910,811	66,013,701	54,217,579	47,590,677	36,045,339	38,394,191
Total OPEB Liability - Ending	$ 55,336,242	$ 73,910,811	$ 66,013,701	$ 54,217,579	$ 47,590,677	$ 36,045,339
Covered Payroll	$ 13,111,830	$ 12,673,464	$ 12,673,464	$ 13,383,410	$ 13,383,410	$ 12,946,813
Total OPEB Liability as a Percentage of Covered Payroll	422.03%	583.19%	520.88%	405.11%	355.59%	278.41%

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.

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

Year Ended June 30, 2023

	Original Budget	Final Budget
REVENUES		
Local Sources		
Real Property Taxes	$ 4,772,895	$ 4,350,813
Other Tax Items	1,305,587	1,727,669
Charges for Services	69,250	69,250
Use of Money and Property	23,650	23,650
Sale of Property and Compensation for Loss	-	-
Miscellaneous	59,000	106,623
Total Local Sources	6,230,382	6,278,005
State Sources	20,417,717	20,417,717
Medicaid Reimbursement	10,000	10,000
Total Revenues	26,658,099	26,705,722
OTHER FINANCING SOURCES		
Transfers From Other Funds	-	-
Total Revenues and Other Financing Sources	26,658,099	26,705,722
EXPENDITURES		
General Support		
Board of Education	22,960	26,417
Central Administration	223,942	230,445
Finance	395,199	408,960
Staff	81,610	140,428
Central Services	2,181,133	2,234,448
Special Items	414,928	414,928
Total General Support	3,319,772	3,455,626
Instruction		
Instruction, Administration and Improvement	1,016,892	958,634
Teaching - Regular School	7,191,506	7,221,741
Programs for Children with Handicapping Conditions	2,832,103	2,915,144
Occupational Education	997,680	998,611
Teaching - Special School	322,441	326,565
Instructional Media	811,507	885,272
Pupil Services	1,230,557	1,257,028
Total Instruction	14,402,686	14,562,995
Pupil Transportation	1,066,488	1,053,470
Community Service	3,000	3,000
Employee Benefits	6,501,650	6,225,290
Debt Service	3,435,015	3,475,853
Total Expenditures	28,728,611	28,776,234
OTHER FINANCING USES		
Operating Transfers to Other Funds	155,000	2,405,000
Total Expenditures and Other Financing Uses	28,883,611	31,181,234
Net Change in Fund Balance	(2,225,512)	(4,475,512)
Fund Balances - Beginning of Year	15,913,274	15,913,274
Fund Balances - End of Year	$ 13,687,762	$ 11,437,762

Actual	Final Budget Variance With Actual
$ 4,350,725	$ (88)
1,886,364	158,695
137,349	68,099
622,220	598,570
9,686	9,686
228,208	121,585
7,234,552	956,547
20,347,567	(70,150)
23,210	13,210
27,605,329	899,607
7,784	7,784
27,613,113	907,391

	Year-End Encumbrances	Final Budget Variance With Actual and Encumbrances
23,189	$ 260	2,968
225,672	623	4,150
405,459	1,245	2,256
135,271	-	5,157
1,858,004	113,744	262,700
407,603	-	7,325
3,055,198	115,872	284,556
876,318	1,245	81,071
6,859,274	57,658	304,809
2,856,580	-	58,564
997,691	-	920
189,566	-	136,999
641,697	28,485	215,090
1,019,557	7,799	229,672
13,440,683	95,187	1,027,125
994,223	-	59,247
-	-	3,000
5,849,222	1,000	375,068
3,475,853	-	-
26,815,179	212,059	1,748,996
2,377,263	-	27,737
29,192,442	$ 212,059	$ 1,776,733
(1,579,329)		
15,913,274		
$ 14,333,945		

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

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

Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)									
District's Proportion of the Net Pension Asset (Liability)	0.059504%	0.060749%	0.060808%	0.060114%	0.061737%	0.061944%	0.061536%	0.061856%	0.060251%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (1,141,818)	$ 10,527,229	$ (1,680,293)	$ 1,561,757	$ 1,116,371	$ 470,833	$ (659,080)	$ 6,424,915	$ 6,711,585
District's Covered Payroll	$ 10,567,765	$ 10,316,144	$ 10,326,167	$ 10,035,982	$ 10,089,141	$ 9,865,787	$ 9,498,279	$ 9,299,714	$ 8,900,731
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	10.80%	102.05%	16.27%	15.56%	11.07%	4.77%	6.94%	69.09%	75.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Employees' Retirement System (ERS)									
District's Proportion of the Net Pension Asset (Liability)	0.0098372%	0.0087926%	0.0089638%	0.0094234%	0.0094541%	0.0090474%	0.0091450%	0.0092815%	0.0095701%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (2,109,495)	$ 718,759	$ (8,926)	$ (2,495,369)	$ (669,850)	$ (291,999)	$ (859,287)	$(1,489,700)	$ (323,300)
District's Covered Payroll	$ 3,298,098	$ 2,980,150	$ 3,044,846	$ 2,968,994	$ 2,880,439	$ 2,802,483	$ 2,783,825	$ 2,708,050	$ 2,661,523
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	63.96%	24.12%	0.29%	84.05%	23.26%	10.42%	30.87%	55.01%	12.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

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

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - NYSLRS PENSION PLAN
LAST NINE FISCAL YEARS
Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)									
Contractually Required Contribution	$ 1,033,047	$ 982,644	$ 914,447	$ 1,065,605	$ 985,517	$ 1,150,438	$ 1,259,127	$ 1,628,831	$ 1,446,252
Contributions in Relation to the Contractually Required Contribution	1,033,047	982,644	914,447	1,065,605	985,517	1,150,438	1,259,127	1,628,831	1,446,252
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 10,567,765	$ 10,316,144	$ 10,326,167	$ 10,035,982	$ 10,089,141	$ 9,865,787	$ 9,498,279	$ 9,299,714	$ 8,900,731
Contributions as a Percentage of Covered Payroll	9.78%	9.53%	8.86%	10.62%	9.77%	11.66%	13.26%	17.51%	16.25%
Employees' Retirement System (ERS)									
Contractually Required Contribution	$ 381,570	$ 480,334	$ 436,659	$ 423,007	$ 415,651	$ 420,775	$ 426,588	$ 495,663	$ 539,526
Contributions in Relation to the Contractually Required Contribution	381,570	480,334	436,659	423,007	415,651	420,775	426,588	495,663	539,526
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 3,298,098	$ 2,980,150	$ 3,044,846	$ 2,968,994	$ 2,880,439	$ 2,802,483	$ 2,783,825	$ 2,708,050	$ 2,661,523
Contributions as a Percentage of Covered Payroll	11.57%	16.12%	14.34%	14.25%	14.43%	15.01%	15.32%	18.30%	20.27%

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.

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND

June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 28,758,099
Add: Prior Year's Encumbrances	125,512
Original Budget	28,883,611
Budget Revisions	2,297,623
Final Budget	$ 31,181,234

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2023-2024 Voter Approved Expenditure Budget		$ 30,147,792
Maximum Allowed 4% of 2023-2024 Budget		$ 1,205,912
General Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 612,059	
Unassigned Fund Balance	593,699	
Total Unrestricted Fund Balance	1,205,758	
Less:		
Appropriated Fund Balance	400,000	
Encumbrances Included in Assigned Fund Balance	212,059	
Total Adjustments	612,059	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 593,699
Actual Percentage		1.97%

SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES

Year Ended June 30, 2023

Project Title	Original Appropriation	Revised Appropriation	Expenditures: Prior Year	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds Of Obligations	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance 6/30/2023
Smart Schools Project	$ 186,594	$ 1,429,156	$1,325,640	$ 102,832	$ 1,428,472	$ 684	$ -	$ 1,428,472	$ -	$ 1,428,472	$ -
District-Wide Project	14,900,000	14,900,000	-	870,274	870,274	14,029,726	-	-	2,250,000	2,250,000	1,379,726
Mini-Renovation Proje	100,000	100,000	-	97,471	97,471	2,529	-	-	97,471	97,471	-
Buses	370,000	370,000	-	365,551	365,551	4,449	370,000	-	(4,449)	365,551	-
Totals	$ 15,186,594	$ 16,429,156	$1,325,640	$1,436,128	$ 2,761,768	$ 14,032,939	$370,000	$ 1,428,472	$ 2,347,471	$ 4,141,494	$ 1,379,726

COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023

	School Food Service	Debt Service	Extra Classroom Activity	Scholarships and Awards
ASSETS				
Cash and Cash Equivalents				
Unrestricted	$ 369,791	$ -	$ -	$ -
Restricted	-	-	102,150	288,997
Receivables				
Due From Other Funds	-	21,604	-	-
State and Federal Aid	41,063	-	-	-
Inventories	63,646	-	-	-
TOTAL ASSETS	$ 474,500	$ 21,604	$ 102,150	$ 288,997
LIABILITIES				
Payables				
Accounts Payable	$ 74,030	$ -	$ -	$ 10,000
Due to Other Funds	6,910	-	-	-
Due to Other Governments	190	-	-	-
Due to Employees' Retirement System	11,271	-	-	-
Unearned Credits				
Unearned Revenues	12,126	-	-	-
Total Liabilities	104,527	-	-	10,000
FUND BALANCES				
Nonspendable	63,646	-	-	-
Restricted	-	21,604	102,150	278,997
Assigned	306,327	-	-	-
Total Fund Balances	369,973	21,604	102,150	278,997
TOTAL LIABILITIES AND FUND BALANCES	$ 474,500	$ 21,604	$ 102,150	$ 288,997

Capital - Intangible Leases	Capital - Mini-Renovation	Capital - Buses	Capital - Smart Schools	Total Non-Major Funds
$ -	$ -	$ -	$ -	$ 369,791
-	-	-	-	391,147
-	-	-	-	21,604
-	-	-	102,832	143,895
-	-	-	-	63,646
$ -	$ -	$ -	$ 102,832	$ 990,083
$ -	$ -	$ -	$ -	$ 84,030
-	-	-	102,832	109,742
-	-	-	-	190
-	-	-	-	11,271
-	-	-	-	12,126
-	-	-	102,832	217,359
-	-	-	-	63,646
-	-	-	-	402,751
-	-	-	-	306,327
-	-	-	-	772,724
$ -	$ -	$ -	$ 102,832	$ 990,083

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

Year Ended June 30, 2023

	School Food Service	Debt Service	Extra Classroom Activity	Scholarships and Awards
REVENUES				
Use of Money and Property	$ 10,096	$ 24,940	$ -	$ 9,359
State Sources	17,098	-	-	-
Federal Sources	588,741	-	-	-
Surplus Food	74,916	-	-	-
Sales - School Food Service	288,621	-	-	-
Miscellaneous	-	-	210,306	229,534
Total Revenues	979,472	24,940	210,306	238,893
EXPENDITURES				
Employee Benefits	123,164	-	-	-
Food Service Program:				
General Support	459,844	-	-	-
Cost of Sales	428,135	-	-	-
Other Expenditures	-	-	216,221	214,330
Capital Outlay	-	-	-	-
Total Expenditures	1,011,143	-	216,221	214,330
Excess (Deficiency) of Revenues Over Expenditures	(31,671)	24,940	(5,915)	24,563
OTHER FINANCING SOURCES AND (USES)				
Proceeds from Debt - Leases	-	-	-	-
Proceeds from Debt	-	-	-	-
Operating Transfers In	299	4,448	-	-
Operating Transfers (Out)	-	(7,784)	-	-
Total Other Financing Sources And (Uses)	299	(3,336)	-	-
Net Change in Fund Balances	(31,372)	21,604	(5,915)	24,563
Fund Balances - Beginning of Year	401,345	-	108,065	254,434
Fund Balances - End of Year	$ 369,973	$ 21,604	$ 102,150	$ 278,997

Capital - Intangible Leases	Capital - Mini - Renovation	Capital - Buses	Capital - Smart Schools	Total Non-Major Funds
$ -	$ -	$ -	$ -	$ 44,395
-	-	-	102,832	119,930
-	-	-	-	588,741
-	-	-	-	74,916
-	-	-	-	288,621
-	-	-	-	439,840
-	-	-	102,832	1,556,443
-	-	-	-	123,164
-	-	-	-	459,844
-	-	-	-	428,135
-	-	-	-	430,551
85,488	97,471	365,551	102,832	651,342
85,488	97,471	365,551	102,832	2,093,036
(85,488)	(97,471)	(365,551)	-	(536,593)
85,488	-	-	-	85,488
-	-	370,000	-	370,000
-	97,471	-	-	102,218
-	-	(4,449)	-	(12,233)
85,488	97,471	365,551	-	545,473
-	-	-	-	8,880
-	-	-	-	763,844
$ -	$ -	$ -	$ -	$ 772,724

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2023

Capital Assets, Net		$ 41,072,842
Deduct:		
Premium on Bonds Payable	$ 1,290,576	
Short-Term Portion of Bonds Payable	3,005,000	
Long-Term Portion of Bonds Payable	7,850,000	
Short-Term Portion of Lease Liability	38,649	
Long-Term Portion of Lease Liability	74,050	12,258,275
Net Investment in Capital Assets		$ 28,814,567

FEDERAL AWARD PROGRAM INFORMATION

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

BOARD OF EDUCATION
LOWVILLE ACADEMY AND 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 the Lowville Academy and 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 Lowville Academy and Central School District's basic financial statements, and have issued our report thereon dated on September 26, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lowville Academy and Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

Bowers & Company

Watertown, New York
September 26, 2023

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

BOARD OF EDUCATION
LOWVILLE ACADEMY AND CENTRAL SCHOOL DISTRICT

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lowville Academy and 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 Lowville Academy and Central School District's major federal programs for the year ended June 30, 2023. Lowville Academy and Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lowville Academy and 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.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lowville Academy and Central School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Lowville Academy and Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lowville Academy and Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Lowville Academy and Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bowers & Company

Watertown, New York
September 26, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	Assistance Listing Number	Agency or Pass-through Number	Total Federal Expenditures
U. S. Department of Education			
Passed-Through NYS Education Department:			
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-23-0329	$ 357,958
COVID-19: Special Education -Grants to States (IDEA, Part B)	84.027X	5532-22-0329	22,904
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-23-0329	18,553
Total Special Education Cluster			399,415
Education Stabilization Fund:			
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-1225	243,975
COVID-19: American Rescue Plan -Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-1225	1,546,892
COVID-19: American Rescue Plan -Elementary and Secondary School Emergency Relief Fund	84.425U	5882-21-1225	42,140
COVID-19: American Rescue Plan -Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-1225	382,189
COVID-19: American Rescue Plan -Elementary and Secondary School Emergency Relief Fund	84.425U	5883-21-1225	23,024
Total Education Stabilization Fund			2,238,220
Title I Grants to Local Education Agencies	84.010A	0021-23-1225	419,035
Student Support and Academic Enrichment Program	84.424A	0204-23-1225	31,019
Supporting Effective Instruction State Grants	84.367A	0147-23-1225	51,096
Total Passed Through NYS Education Department			3,138,785
Total U.S. Department of Education			3,138,785
Subtotal to Next Page			$ 3,138,785

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2023

Subtotal from Previous Page			$ 3,138,785
U. S. Department of Agriculture			
Passed-Through NYS Education Department:			
Child Nutrition Discretionary Grants Limited Availability	10.579	0005-22-0019	17,481
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555		57,440
Fresh Fruit and Vegetable Program	10.582		17,476
Non-Cash Assistance Subtotal			74,916
Cash Assistance			
School Breakfast Program	10.553		129,201
COVID-19: Supply Chain Assistance Grant	10.555		77,340
National School Lunch Program	10.555		382,200
Cash Assistance Subtotal			588,741
Total Child Nutrition Cluster			663,657
Total Passed Through NYS Education Department			681,138
Total U.S. Department of Agriculture			681,138
Total Federal Assistance			$ 3,819,923

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District's financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The federal expenditures are recognized under the Uniform Guidance.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

NOTE 3 – OTHER DISCLOSURES

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

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023

NOTE 4 – NON-MONETARY FEDERAL PROGRAM

The District is the recipient of federal award programs that do not result in cash receipts or disbursements. The District was granted $17,476 of commodities under the Fresh Fruit and Vegetable Program (Assistance Listing 10.582) and $57,440 of commodities under the National School Lunch Program (Assistance Listing 10.555).

NOTE 5 - SUBRECIPIENTS

No amounts were provided to subrecipients.

NOTE 6 – SCOPE OF AUDIT

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

NOTE A - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Lowville Academy and Central School District.

2. No significant deficiencies were disclosed during the audit of the basic financial statements of Lowville Academy and Central School District.

3. No instances of noncompliance material to the financial statements of Lowville Academy and Central School District, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed during the audit of the major federal award program of Lowville Academy and Central School District.

5. The auditor's report on compliance for the major federal award program for Lowville Academy and Central School District expresses an unmodified opinion on the major federal program.

6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a) related to the major federal award program for Lowville Academy and Central School District.

7. The Programs tested as a major program is:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

NOTE A - SUMMARY OF AUDITOR'S RESULTS - Continued

8. The threshold for distinguishing between Types A and B programs was $750,000.

9. Lowville Academy and Central School District was determined to be a low-risk auditee.

NOTE B - FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings to report.

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

There were no findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2023

NOTE A - FINDINGS - FINANCIAL STATEMENT AUDIT

There were no prior year audit findings.

NOTE B - FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no prior year audit findings.

EXTRA CLASSROOM ACTIVITY FUNDS

INDEPENDENT AUDITOR'S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS

BOARD OF EDUCATION
LOWVILLE ACADEMY AND CENTRAL SCHOOL DISTRICT

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Lowville Academy and Central School District for the year ended June 30, 2023, and the related note to the financial statement.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Lowville Academy and Central School District for the year ended June 30, 2023, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Bowers & Company

Watertown, New York
September 26, 2023

EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2023

	Cash Balances 7/1/2022	Cash Receipts	Cash Disbursements	Cash Balances 6/30/2023
Class of:				
2022	$ 126	$ 4	$ 130	$ -
2023	6,479	21,203	26,706	976
2024	4,683	4,762	2,917	6,528
2025	2,854	7,246	3,927	6,173
2026	-	3,059	535	2,524
Art Club	3,044	7,051	7,686	2,409
Band	2,775	383	5	3,153
Business Club	1,979	2,592	2,515	2,056
Drama Club	2,673	2,149	2,035	2,787
Elementary Student Council	635	213	101	747
Elementary Yearbook	5,662	1,536	1,150	6,048
Family, Career and Community Leaders of America	5,231	1,030	3,558	2,703
Fit 4 Fun	692	645	770	567
FFA - National Convention	4,382	45,853	41,068	9,167
French Club	2,506	8,754	7,793	3,467
Future Farmers of America	1,305	48,142	46,502	2,945
Future Teachers of America	611	532	545	598
Grade 6 Activity Funds	558	-	226	332
High School Media & Prod. Club	485	-	-	485
High School Musical	14,193	17,778	19,702	12,269
LACS Backpack Club	1,560	4,871	4,807	1,624
Library Club	1,659	368	192	1,835
Lowacadian	5,103	7,300	9,849	2,554
Middle School Musical	8,317	3,213	1,929	9,601
Sub-Total	$ 77,512	$ 188,684	$ 184,648	$ 81,548

See note to financial statement.

EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CONTINUED
Year Ended June 30, 2023

	Cash Balances 7/1/2022	Cash Receipts	Cash Disbursements	Cash Balances 6/30/2023
Balance Forward	$ 77,512	$ 188,684	$ 184,648	$ 81,548
Middle School Student Council	8,947	556	2,244	7,259
Middle School Yearbook	25	1,343	1,365	3
Mobile Maple Lab	-	500	200	300
National Honor Society	2,196	3,025	4,056	1,165
Poetry Club	-	-	-	-
Red Raider & Co.	336	127	74	389
Schoolwide Enrichment	2,476	-	5	2,471
Select Chorus	4,312	1,842	5,307	847
Spanish Club	3,603	7,003	7,717	2,889
Sr. High School Student Council	1,892	4,157	3,773	2,276
Technology Club	220	-	-	220
Trap Shooting	3,821	-	1,936	1,885
Youth Activity Club	2,174	826	2,539	461
New York Sales Tax	551	2,243	2,357	437
Total	$ 108,065	$ 210,306	$ 216,221	$ 102,150

EXTRA CLASSROOM ACTIVITY FUNDS – NOTE TO FINANCIAL STATEMENT
June 30, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

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

September 26, 2023

To the President and Members
Of the Board of Education
Lowville Academy and Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lowville Academy and Central School District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lowville Academy and Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2023. We noted no transactions entered into by Lowville Academy and Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

> Management's estimate of the depreciation amortization is based on economic useful lives of capital asset classes.

> Management's estimate of present value of right to use leased assets, and lease liability is based on the discount rate or implicit interest rate within the agreements in accordance with GASB Statement No. 87, *Leases*.
>
> Management estimates actuarial assumptions that are used to determine pension asset (liabilities) and annual pension cost for the year in accordance with GASB Statement No. 68
>
> Management estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.

We have evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 26, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

Bowers & Company

Material Misstatements Corrected by Management

Governmental Funds

Capital Projects Fund

Adjusting Journal Entries JE # 1
to record rev/exp on new lease

H2110.L	Equipment Expenditure - Lease	85,488.00	
H5788	LEASES		85,488.00
Total		**85,488.00**	**85,488.00**

Government-Wide

Non-Current Governmental Assets

Adjusting Journal Entries JE # 6
to record OPEB deferred outflows

K00159	Total Non-Current Governmental Assets	3,882,555.00	
K00496.1	Deferred Outflow of Resources - OPEB		3,882,555.00
Total		**3,882,555.00**	**3,882,555.00**

Adjusting Journal Entries JE # 7
to eliminate TRS Asset

K00159	Total Non-Current Governmental Assets	10,527,229.00	
K00108	TRS - Pension Asset		10,527,229.00
Total		**10,527,229.00**	**10,527,229.00**

Adjusting Journal Entries JE # 9
adjust FA to actual per client

K00101	Land	206,677.00	
K00102	Buildings	299,216.00	
K00105	Construction in Progress	643,948.00	
K00114	Accumulated Depreciation - Equipment	176,768.00	
K00159	Total Non-Current Governmental Assets	726,887.00	
K00104	Equipment		90,395.00
K00112	Accumulated Depreciation - Buildings		1,592,972.00
K00113	Accumulated Depreciation - Improvements Other Than Buildings		370,129.00
Total		**2,053,496.00**	**2,053,496.00**

Material Misstatements Corrected by Management – Continued

Non-Current Governmental Liabilities

Adjusting Journal Entries JE # 6			
to record OPEB liability			
W00129	Total Non-Current Governmental Liabilities	55,336,242.00	
W00683	OPEB		55,336,242.00
Total		**55,336,242.00**	**55,336,242.00**

Adjusting Journal Entries JE # 7			
to record OPEB deferred inflows			
W00129	Total Non-Current Governmental Liabilities	19,616,229.00	
W00697.1	Deferred Inflow of Resources - OPEB		19,616,229.00
Total		**19,616,229.00**	**19,616,229.00**

Adjusting Journal Entries JE # 8			
to record TRS liability			
W00129	Total Non-Current Governmental Liabilities	1,141,818.00	
W00638.0	Net Pension Liability - TRS		1,141,818.00
Total		**1,141,818.00**	**1,141,818.00**

Adjusting Journal Entries JE # 10			
To record ERS liability			
W00120	Available in Debt Service	2,109,495.00	
W00638	Net Pension Liability - ERS		2,109,495.00
Total		**2,109,495.00**	**2,109,495.00**

APPENDIX – F

FORM OF BOND COUNSEL'S OPINION

October 8, 2024

Lowville Central School District
Lewis County
State of New York

Re: Lowville Central School District, Lewis County, New York
$6,000,000 Revenue Anticipation Notes, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $6,000,000 Revenue Anticipation Notes, 2024 (the "Obligation"), of the Lowville Central School District, Lewis County, New York (the "Obligor"), dated October 8, 2024, numbered 1, of the denomination of $6,000,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing October 8, 2025.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to statutory limitation; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation 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 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage 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 municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP