PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 13, 2025

NEW ISSUE **BOND 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 be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$2,000,000

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

CAYUGA AND TOMPKINS COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$2,000,000 Bond Anticipation Notes, 2025

(Referred to herein as the "Notes")

Dated: March 6, 2025 **Due: July 17, 2025**

The Notes will constitute general obligations of the Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York (the "District"). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE 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 purchaser 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. The Notes will be issued in denominations of $5,000 or multiples thereof. 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 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 with the purchaser, or about March 6, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on February 19, 2025 by no later than 10:30 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.

February __, 2025

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, 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 "CONTINUING DISCLOSURE" HEREIN.

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT
CAYUGA AND TOMPKINS COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

RACHEL MCCARTHY
President

TIMOTHY PALLOKAT
Vice President

MATTHEW BENNETT
DAVID HARVATINE
ROBB JETTY
JANET LEHMAN
HEATHER REJMAN

* * * * * * * * *

PATRICK JENSEN
Superintendent

LORETTA VAN HORN
Assistant Superintendent for Business & Operations

JODI BAKER
School District Treasurer

MARCY HAND
District Clerk

orrick
ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

FA
FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the Southern Cayuga 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 the Southern Cayuga Central School District.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

OF THE

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

CAYUGA AND TOMPKINS COUNTIES, NEW YORK

RELATING TO

$2,000,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York (the "School District" or "District", "Counties", each a "County", and "State", respectively) in connection with the sale by the School District of $2,000,000 principal amount of Bond Anticipation Notes, 2025 (referred to herein as 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 THE OBLIGATION

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

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

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

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

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

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

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why

> both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean… So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, 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 of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are dated March 6, 2025 and will mature, without the option of prior redemption, on July 17, 2025. 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 issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on August 14, 2023 authorizing the issuance of $13,100,000 serial bonds and bond anticipation notes to finance the construction of improvements to and reconstruction of School District buildings and facilities, (the "Capital Improvement Project"), at a maximum estimated cost of not to exceed $15,500,000, including the expenditure of $2,400,000 from the District's 2019 Capital Reserve Fund.

The proceeds of the Notes will provide $2,000,000 in new money for the Capital Improvement Project.

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 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 a purchaser of the Notes elect to have the Notes issued in certificated form or if such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered certificated form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at the option of the School District at the offices of the School District or 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 Central New York, in the heart of the New York State Finger Lakes Region. The School District, which encompasses approximately 160 square miles, includes various portions of the Towns of Fleming, Genoa, Ledyard, Locke, Scipio and Venice in Cayuga County and the Town of Lansing in Tompkins County. The School District was merged in 1964 from the Districts of Genoa, King Ferry, and Sherwood.

The Cities of Auburn and Ithaca each lie approximately 15 miles to the north and south of the School District, respectively. The City of Syracuse is located 40 miles northeast, the City of Binghamton 50 miles southeast. The School District is situated to the east of Cayuga Lake which, at more than 40 miles in length, is the largest of the six major lakes in the Finger Lakes Region.

Major highways located in close proximity to the School District include U.S. #20 and State highways #5, 34 and 90. An exit of the New York State Thruway is located less than 25 miles to the north. Exits to Interstate Highway #81, which extends from Canada through Pennsylvania, are located within 20 miles of the School District. The Syracuse Hancock International Airport serves the residents with air transportation via American Airlines, US Airways, JetBlue, United Airlines, Delta and various commuter lines. Public ground transportation is available through various bus lines.

The area is culturally and academically influenced by both Cornell University and Ithaca College, located in the City of Ithaca. Wells College, a private college in Cayuga County has closed in 2024 and the property is currently for sale.

Some larger employers located in the School District include Mackenzie-Childs (200), New York State Electric & Gas, Willet Dairy and the Inns of Aurora.

Source: School District officials.

District Population

The 2023 estimated population of the District is 5,799. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.)

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

Five Larger Employers

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

Name	Type	Employees
Auburn Community Hospital	Hospital	985
Auburn Correctional Facility	Prison	824
Cayuga County	Government	822
Auburn City School District	Education	654
Cayuga Correctional Facility	Prison	359

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Fleming	$ 31,395	$ 40,985	$ 49,464	$ 63,676	$ 98,092	$ 105,833
Genoa	23,917	38,338	44,238	59,453	78,750	95,938
Lansing	37,460	48,710	54,781	82,104	105,778	143,832
Ledyard	18,191	33,872	34,402	63,864	83,056	93,510
Locke	24,322	28,010	30,744	42,438	71,161	65,772
Scipio	23,719	29,526	38,183	70,147	81,477	100,208
Venice	24,285	32,579	37,461	65,161	84,583	99,821
Counties of:						
Cayuga	22,959	30,996	36,547	58,761	73,590	85,449
Tompkins	25,737	34,194	42,505	72,231	87,977	111,825
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are the Counties of Cayuga and Tompkins. 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 State , are necessarily representative of the District, or vice versa.

Annual Average

	2017	2018	2019	2020	2021	2022	2023	2024
Cayuga County	5.0%	4.4%	4.1%	7.6%	4.8%	3.5%	3.6%	N/A
Tompkins County	4.3%	3.6%	3.5%	5.8%	3.8%	2.9%	3.1%	N/A
New York State	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.2%	N/A

2024 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cayuga County	4.6%	4.6%	4.3%	3.8%	3.6%	3.5%	4.2%	4.0%	3.0%	3.1%	3.2%	3.5%
Tompkins County	3.5%	3.4%	3.2%	2.9%	3.5%	3.8%	3.9%	3.9%	2.9%	2.9%	3.0%	3.0%
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	4.9%	4.0%	4.1%	4.2%	4.1%

Note: Unemployment rates for the months of December 2024 annual averages for 2024 are unavailable as of the date of this Official Statement

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

Form of School Government

The Board of Education which is the policy-making body of the School District consists of seven members with overlapping terms. The President and the Vice President are selected by the Board members. The President of the Board is the chief fiscal officer of the School District.

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

Source: District officials.

Investment Policy

Pursuant to the statutes of the State, the District is permitted to temporarily invest moneys which are not required for immediate expenditures with the exception of moneys the investment of which is otherwise provided for by law, only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any State municipality, school district or district corporation, other than the District; (6) obligations of a State public benefit corporation which are made lawful investments for the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) special time deposit accounts; (2) certificates of deposit; (3) obligations of the United States of America; (4) 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; (5) obligations of the State; (6) obligations issued pursuant to Local Finance Law § 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the District; (7) obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the State statutes governing such entities or whose specific enabling legislation authorizes such investments; (8) certificates of participation issued pursuant to General Municipal Law Section 109-b; and (9) obligations of the District, but only with any moneys in an established reserve fund.

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.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the 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 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 Vote Results

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 455 yes to 213 no. The adopted budget included a 2.0% tax levy increase, which was within the District's Tax Cap of 2.5% for the 2023-24 fiscal year.

The budget for the 2024-25 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 382 yes to 140 no. The adopted budget included a 3.00% tax levy increase, which was above the District's Tax Cap of 1.17% for the 2024-25 fiscal year.

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 53.2% 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. See also "*School district fiscal year (2024-25)"* herein regarding authorization of a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

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 the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of State's current fiscal year budget and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's current fiscal year 2024-25 Enacted Budget was adopted on April 22, 2024. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal aid received by the State and School District

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 building aid ratios, the District expects to receive State building aid of approximately 81.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

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

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

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

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding was included to 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.

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-20	$17,649,693	$9,050,853	51.28%
2020-21	17,590,889	8,785,990	49.95
2021-22	18,097,921	9,268,013	51.21
2022-23	18,980,417	9,582,289	50.49
2023-24	20,091,637	10,412,338	51.82
2024-25 (Budgeted)	19,173,454 (1)	10,200,841	53.20

(1) Does not include $741,386 of appropriated fund balance and use of reserves.

Source: Audited financial statements for the 2019-20 through 2023-24 fiscal years and adopted budget (unaudited) for the 2024-25 fiscal year. This table is not audited.

District Facilities

Name	Grade	Capacity	Construction Date/Additions
Southern Cayuga Central School	preK-12	1,100	1967, '68, '97, '05, '08, '12

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-21	716	2025-26	675
2021-22	710	2026-27	675
2022-23	691	2027-28	670
2023-24	684	2028-29	670
2024-25	680	2029-30	670

Source: District officials.

Employees

The School District employs approximately 130 full-time employees. The following table sets forth a breakdown of employee representation by collective bargaining unit and the dates of expiration of the various collective bargaining agreements:

Employees Represented	Union Representation	Expiration Date
76	Southern Cayuga Teachers' Association ("SCTA")	June 30, 2026
33	Civil Service Employees' Association	June 30, 2026
3	Southern Cayuga Administrators' Association	June 30, 2026

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.

- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (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 State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2024-25 fiscal years are as follows:

Fiscal Year	ERS	TRS
2019-20	$225,903	$549,359
2020-21	230,882	657,511
2021-22	228,465	668,411
2022-23	211,818	562,035
2023-24	234,386	530,240
2024-25 (Budgeted)	265,000	600,000

Source: District officials.

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

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District had early retirement incentive programs for its employees for the end of the 2015-16 fiscal year to be paid out of the Employee Benefit and Accrued Liability Reserve. The District currently has an early retirement incentive programs.

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2019-20 to 2025-26) is shown below:

Fiscal Year	ERS	TRS
2019-20	14.6%	8.86%
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.56*

*Estimated. The TRS Retirement Board is expected to adopt the final 2025-26 contribution rate at its July 31, 2025 meeting.

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

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

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

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

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

The 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 30, 2019, the District established such reserve fund.

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 implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position. As of the fiscal year ended June 30, 2018, the District was required to, and had implemented GASB 75.

The District contracted with Burke Group to calculate its actuarial valuation under GASB 75. The following table outlines the changes to the Total OPEB Liability during the 2022-23 and 2023-24 fiscal years, by source.

Balance beginning at:	July 1, 2022	July 1, 2023
	$ 26,299,038	$ 23,256,297
Changes for the year:		
Service cost	470,948	419,518
Interest	729,299	857,874
Changes of Benefit Terms	(44,646)	(327,080)
Differences between expected and actual experience	(333,848)	73,226
Changes in assumptions or other inputs	(2,864,788)	(570,047)
Benefit payments	(999,706)	(980,732)
Net Changes	$ (3,042,741)	$ (527,241)
Balance ending at:	**June 30, 2023**	**June 30, 2024**
	$ 23,256,297	**$ 22,729,056**

Source: Audited financial reports of the District. For additional information see "APPENDIX – C" attached hereto. The above table is not audited.

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

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

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

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX – E" to this Official Statement. Certain financial information of the School District can also be found attached as Appendices to the Official Statement.

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

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

New York State Comptroller Reports of Examination

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

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the School 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 an audit of the District on November 6, 2020. The purpose of the audit was to determine whether the Board and District officials effectively managed the District's financial condition for the period July 1, 2016 through March 16, 2020.

<u>Key Findings:</u>

The Board and District officials did not effectively manage financial condition.

- The Board underestimated revenues by an average of $141,038 and overestimated appropriations by an average of $1.3 million over the three completed years. As a result, the District generated large operating surpluses and did not use about $1.1 million in appropriated fund balance.
- As of June 30, 2019, recalculated surplus fund balance totaled almost $1.7 million and was 10.7 percent of 2018-19 expenditures.
- The Board and District officials did not develop adequate multiyear financial and capital plans.

Key Recommendations

- Adopt budgets that include reasonable estimates for revenues, appropriations and the amount of fund balance needed to fund operations.
- Reduce surplus fund balance to comply with the statutory limit and use the excess funds in a manner more beneficial to taxpayers.
- Develop comprehensive multiyear financial and capital plans that set long-term objectives and goals using realistic estimates.

A complete copy of the report, as well as the District response to the above findings and recommendations, can be found on 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 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 the accuracy of the information therein, nor incorporation herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Office of the State Comptroller ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to school district officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

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

The reports of the State Comptroller for the 2019-20 through 2023-24 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0

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

Other Information

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

The District has complied with the procedure for validation of the Notes provided for in Title 6 of Article 2 of the Local Finance Law.

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

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

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

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Fleming	$ 4,386,450	$ 4,859,941	$ 4,408,698	$ 4,492,214	$ 7,370,652 [1]
Genoa	178,374,457	225,195,904 [1]	225,671,952	224,319,475	223,757,714
Lansing	3,637,551	3,297,059	3,745,959	4,368,585	4,691,343
Ledyard	185,251,853	184,089,681	248,753,465 [1]	248,876,828	250,267,083
Locke	2,096,760	2,108,144	2,121,931	2,145,734	2,117,668
Scipio	137,666,313	137,065,463	137,856,042	138,774,363	229,516,849 [1]
Venice	88,885,170	88,761,736	88,289,387	119,631,739 [1]	121,503,733
Total Assessed Values	$ 600,298,554	$ 645,377,928	$ 710,847,434	$ 742,608,938	$ 839,225,042
State Equalization Rates					
Towns of:					
Fleming	100.00%	100.00%	92.00%	74.00%	100.00% [1]
Genoa	87.00%	100.00% [1]	98.00%	88.00%	80.00%
Lansing	100.00%	100.00%	100.00%	100.00%	100.00%
Ledyard	87.00%	82.00%	100.00% [1]	94.00%	80.00%
Locke	100.00%	100.00%	97.00%	86.00%	76.00%
Scipio	92.00%	92.00%	83.00%	76.00%	100.00% [1]
Venice	92.00%	90.00%	83.00%	100.00% [1]	88.00%
Total Taxable Full Valuation	$ 674,333,649	$ 707,569,009	$ 762,220,919	$ 834,834,846	$ 974,968,669

[1] Significant change from previous year due to town-wide revaluation.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Fleming	$ 12.09	$ 11.52	$ 11.69	$ 13.53	$ 8.83 [1]
Genoa	13.90	11.52 [1]	10.97	11.38	11.04
Lansing	12.09	11.52	10.75	10.01	8.83
Ledyard	13.90	14.05	10.75 [1]	10.64	11.04
Locke	12.09	11.52	11.08	11.64	11.62
Scipio	13.14	12.53	12.95	13.16	8.83 [1]
Venice	13.14	12.80	12.95	10.01 [1]	10.03

[1] Significant change from previous year due to town-wide revaluation.

Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy [1]	$ 8,153,284	$ 8,153,284	$ 8,194,051	$ 8,357,932	$ 8,608,670
Amount Uncollected [2]	400,642	510,835	410,811	417,897	444,968
% Uncollected [3]	4.91%	6.27%	5.01%	5.00%	5.17%

[1] Total Tax Levy includes the amount to be collected from the STAR Program.
[2] See "Tax Collection Procedure."
[3] The School District receives the amount of uncollected taxes from the Counties prior to the end of the Fiscal Year.

Tax Collection Procedure

Tax payments are due September 1. There is no penalty charge for the first approximate 30 days after taxes are due. A 2% penalty is charged for the next approximate 30 days and a 3% penalty for the next approximate 13 days. In November uncollected taxes are returnable to the Counties of Cayuga and Tompkins for collection. The School District receives this amount from the Counties prior to the end of the School District's fiscal year, thereby assuring 100% of the tax collection is received by the District.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2019-20	$17,649,693	$8,112,693	45.97%
2020-21	17,590,889	8,169,231	46.44
2021-22	18,097,921	8,172,170	45.16
2022-23	18,980,417	8,633,503	45.49
2023-24	20,091,637	8,999,059	44.79
2024-25 (Budgeted)	19,173,454 (1)	8,632,113	45.02

(1) Does not include $741,386 of appropriated fund balance and use of reserves.

Source: Audited financial statements for the 2019-20 through 2023-24 fiscal years and adopted budget (unaudited) for the 2024-25 fiscal year. This table is not audited.

Ten Larger Taxpayers – 2024 Assessment Roll for 2024-2025 District Tax Roll

Name	Type	Taxable Assessed Valuation
Venice View Dairy	Dairy Farm	$40,418,000
Willett Dairy	Dairy Farm	25,927,500
Wells College	College	21,596,700
New York State Electric & Gas	Utility	19,360,657
Inns of Aurora	Hotel	16,119,800
Vansridge Properties, LLC	Dairy Farm	11,862,200
Turek Farms & Turek Realty	Dairy Farm	10,837,100
Ashland Farms	Dairy Farm	7,594,700
Thomas Roach	Dairy Farm	6,432,300
Aurora Ridge	Dairy Farm	6,123,800

The ten larger taxpayers listed above have an estimated assessed valuation of $166,272,757 which represents 19.81% of the tax base of the School District.

The District experiences the impact of tax certiorari filings on a regular basis. At this time, the level of tax certiorari filings is within acceptable norms and are not anticipated to have a material impact on the District's finances.

Source: District officials.

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 and $98,700 or less in 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 and the first $84,000 for the 2024-25 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Fleming	$104,000	$38,330	8/1/2024
Genoa	73,920	26,400	4/9/2024
Lansing	95,200	34,000	7/8/2024
Ledyard	78,960	28,200	4/6/2024
Locke	72,240	25,900	4/9/2024
Scipio	101,170	37,200	8/1/2024
Venice	84,000	30,410	4/9/2024

$523,653 of the $8,357,932 school tax levy for the 2023-24 fiscal year was exempted by the STAR Program. The School District received full reimbursement by January 2025.

$502,170 of the $8,608,670 school tax levy for the 2024-25 fiscal year was exempted by the STAR Program. The School District received full reimbursement in January 2025.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

The assessment roll of the School District is constituted approximately as follows: 20% commercial, 14% industrial, 6% residential and 60% agricultural.

The total property tax bill of a typical residence with a market value of $100,000 is estimated to be $2,000 including County, Town and School District taxes.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011 was enacted on June 24, 2011 ("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. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

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

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

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

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

Statutory Procedure

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

The District 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.

Debt Limit. The District has the power to contract indebtedness for any 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 District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the equalization rate which such assessed valuation bears to the full valuation; such rate is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such rate shall be determined.

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending:	2020	2021	2022	2023	2024
Bonds	$ 8,365,000	$ 7,320,000	$ 6,425,000	$ 5,505,000	$ 7,555,000
Bond Anticipation Notes	798,656	532,470	4,801,657	922,432	1,071,381
Lease Liabilities (1) (2)	--	--	152,928	129,326	166,677
Total Debt Outstanding	$ 9,163,656	$ 7,852,470	$ 11,379,585	$ 6,556,758	$ 8,793,058

(1) For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87 for accounting and reporting of lease liabilities.

(2) Such indebtedness is subject to appropriation but does not involve a pledge of faith and credit of the District and therefore does not technically constitute indebtedness of the District. Such obligations are, however, counted against the debt limit of the District. (See "Other Obligations" herein.)

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of February 13, 2025.

Type of Indebtedness	Maturity		Amount
Bonds	2025-2037		$ 7,555,000
Bond Anticipation Notes			
Purchase of Buses	August 22, 2025		1,005,568
		Total Indebtedness	$ 8,560,568

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 13, 2025:

Full Valuation of Taxable Real Property			$ 974,968,669
Debt Limit 10% thereof			97,496,867
Inclusions:			
Bonds	$ 7,555,000		
Bond Anticipation Notes (BANs):	1,005,568		
Total Inclusions prior to issuance of the Notes	8,560,568		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	2,000,000		
Total Net Inclusions after issuance of the Notes		$ 10,560,568	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 10,560,568
Net Debt-Contracting Margin			$ 86,936,299
The percent of debt contracting power exhausted is			10.83%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on 2024-25 Building Aid Ratios, the School District anticipates State Building aid of 81.2% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

Note: The above debt statement summary does not include outstanding lease purchase obligations, which are subject to appropriation but do not involve a pledge of faith and credit of the District and therefore do not technically constitute indebtedness of the District. Such obligations are, however, counted against the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations. (See "Other Obligations" 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.

Cash Flow Borrowing

The District has not issued tax or revenue anticipation notes for the last five fiscal years. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes, nor budget or deficiency notes for the foreseeable future.

Other Obligations

The District leases copiers and equipment, primarily from the Cayuga-Onondaga BOCES. The leases have various inception dates with remaining terms of 24-37 months, with interest rates between 0.51% and 3.89%.

The following is a summary of the District's debt service requirements for its lease liabilities as of June 30, 2024:

Fiscal Year	Principal	Interest	Total
2025	$ 78,322	$ 5,860	$ 84,182
2026	28,347	3,398	31,745
2027	29,438	2,308	31,746
2028	30,570	1,176	31,746
TOTAL	$ 166,677	$ 12,742	$ 179,419

Source: Audited financial statements of the District. Table itself is not audited.

Such indebtedness is subject to appropriation but does not involve a pledge of faith and credit of the District and therefore does not technically constitute indebtedness of the District. Such obligations are, however, counted against the debt limit of the District.

Capital Project Plans

The District typically issues bond anticipation notes on an annual basis to finance the purchase of buses.

On May 16, 2023, qualified voters of the District approved a proposition authorizing a capital improvement project in the amount of $15,500,000 consisting of the construction of improvements and reconstruction of various District buildings and facilities. The District will finance the project with the expenditure of $2,400,000 from the 2019 Capital Reserve fund and the issuance of $13,100,000 of bond anticipation notes and serial bonds. The current issuance of the Notes will provide $2,000,000 in original financing for the project.

The District does not currently have any other capital projects authorized, nor are any others contemplated at this time.

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Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]		Exclusions [2]		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Cayuga	10/21/2024	$ 11,660,000	(3)	$ -		$ 11,660,000	12.68%	$ 1,478,488
Tompkins	1/30/2025	60,453,000	(3)	5,700,000		54,753,000	0.04%	21,901
Town of:								
Fleming	12/31/2023	2,446,520	(4)	-	(5)	2,446,520	1.79%	43,793
Genoa	12/31/2023	665,000	(4)	-	(5)	665,000	100.00%	665,000
Lansing	11/20/2024	2,737,664	(3)	2,539,664		198,000	0.24%	475
Ledyard	12/31/2023	-	(4)	-		-	88.82%	-
Locke	12/31/2023	-	(4)	-		-	2.28%	-
Scipio	12/31/2023	-	(4)	-		-	96.25%	-
Venice	12/31/2023	120,339	(4)	-	(5)	120,339	89.76%	108,016
							Total:	$ 2,317,673

Notes:

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

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

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

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

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of February 13, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 10,560,568	$ 1,821.10	1.08%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	12,878,241	2,220.77	1.32

(a) The 2022 estimated population of the District is 5,799. (See "THE SCHOOL DISTRICT – District Population" herein.)

(b) The District's full value of taxable real estate for the 2024-25 tax roll is $974,968,669. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is $2,317,673. (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 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 District and the holder thereof. Under current law, provision is made for contract creditors of the 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 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 District may not be enforced by levy and execution against property owned by the 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 District indebtedness is past due. To the best knowledge of current District officers, the District has never defaulted on the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

COVID-19

Since early calendar year 2020, the COVID-19 pandemic has had a notable impact on the world. With the conclusion of public health emergency statuses by the United States government and the World Health Organization in May 2023, it is expected that the pandemic's most notable impacts are in the past. However, a resurgence of COVID-19 or the emergence of a new pandemic or public health emergency could have a material adverse effect on the State, and the municipalities and school districts located in the State, including the District. There can be no assurances that a resurgence of COVID-19 or the emergence of a new pandemic or public health emergency would not result in delays and/or reductions in State aid paid to school districts, including the District, or that such delays and/or reductions would be sufficiently counterbalanced by federal aid. Any delay or reduction in State aid payments to school districts would have a negative impact on the District's finances and operations. See "State Aid" herein.

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. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D".

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 Notes, 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 Bond, 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.

Current and 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 notes 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 notes 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 such opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – D" hereto.

LITIGATION

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

There is no controversy or litigation of any nature pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes and there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could adversely affect the power of the District to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes, which has not been disclosed in this Official Statement.

CONTINUING DISCLOSURE

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

Continuing Disclosure Compliance History

The District is, in all material respects, in compliance with all prior undertakings pursuant to Rule 15c2-12 for the past five years.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. 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.

RATINGS

The Notes are <u>NOT</u> rated. The purchaser of the Notes may choose to have a rating completed after the sale at the expense of the purchaser 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 and possible supplementation of the Final Official Statement which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

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

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a 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 the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Southern Cayuga Central School District management's beliefs as well as assumptions made by, and information currently available to, the Southern Cayuga Central School District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes; changes in the economy, and other factors discussed in this and other documents that the Southern Cayuga Central School District's files with EMMA. When used in Southern Cayuga Central School District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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 assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District contact information is as follows: Loretta Van Horn, Assistant Superintendent for Business and Operations, Southern Cayuga Central School District, 2384 Route 34B, Aurora, New York 13026, Phone: (315) 364-8711, Email: vanhornl@southerncayuga.org.

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

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Dated: February 13, 2025

RACHEL MCCARTHY
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Cash and Cash Equivalents - Unrestricted	$ 3,153,587	$ 3,378,324	$ 3,917,410	$ 1,286,112	$ 3,071,733
Cash and Cash Equivalents - Restricted	4,676,307	6,424,586	8,243,569	-	-
Investments	-	-	-	3,268,329	3,401,115
Investments - Restricted	-	-	-	8,331,209	6,156,462
Due from Other Funds	142,697	183,787	131,877	543,568	346,540
State and Federal Aid Receivable	156,575	296,669	297,404	237,247	176,752
Due from Other Governments	483,477	431,577	466,829	524,829	663,000
Other Receivables	16,824	19,581	11,387	177,934	25,861
Prepaid Expenses	246,921	30,318	1,063	-	83,903
TOTAL ASSETS	$ 8,876,388	$ 10,764,842	$ 13,069,539	$ 14,369,228	$ 13,925,366
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 80,073	$ 40,318	$ 132,606	$ 44,893	$ 29,623
Accrued Liabilities	-	67,403	31,698	27,576	107,834
Due to Other Governments	-	-	-	-	-
Due to Other Funds	24,270	-	342,411	2,934,146	530,294
Due to Teachers' Retirement System	549,358	511,730	666,157	752,969	748,281
Due to Employees' Retirement System	58,616	65,057	42,718	56,600	66,108
Compensated Absences	29,358	33,562	28,223	38,843	31,156
Post-Employment Benefits Payable	-	-	-	-	-
Deferred Revenues	-	-	-	66,082	7,003
TOTAL LIABILITIES	741,675	718,070	1,243,813	3,921,109	1,520,299
FUND EQUITY					
Nonspendable	$ 246,921	$ 30,318	$ 1,063	$ -	$ 83,903
Restricted	4,622,169	6,370,430	8,070,246	5,675,860	6,073,361
Committed	-	-	-	-	-
Assigned	905,315	843,237	1,099,612	448,822	836,870
Unassigned	2,360,308	2,802,787	2,654,805	4,323,437	5,410,933
TOTAL FUND EQUITY	8,134,713	10,046,772	11,825,726	10,448,119	12,405,067
TOTAL LIABILITIES and FUND EQUITY	$ 8,876,388	$ 10,764,842	$ 13,069,539	$ 14,369,228	$ 13,925,366

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
REVENUES					
Real Property Taxes	$ 7,384,365	$ 7,462,774	$ 7,537,050	$ 8,233,532	$ 8,393,157
Real Property Tax Items	728,328	706,457	635,120	399,971	605,902
Charges for Services	8,322	-	714	13,383	7,872
Use of Money & Property	137,532	11,465	20,008	177,737	107,265
Sale of Property and Compensation for Loss	110	22,346	15,213	405,904	410,888
Miscellaneous	274,523	361,243	411,508	43,527	38,889
Revenues from State Sources	9,050,853	8,785,990	9,268,013	9,582,289	10,412,338
Revenues from Federal Sources	65,660	240,614	210,295	124,074	115,326
Total Revenues	$ 17,649,693	$ 17,590,889	$ 18,097,921	$ 18,980,417	$ 20,091,637
Other Sources:					
Proceeds from issuance of SBITA	-	-	-	29,520	48,034
Proceeds from issuance of leases	-	-	-	89,903	144,189
Interfund Transfers	-	2,672	-	-	-
Total Revenues and Other Sources	17,649,693	17,593,561	18,097,921	19,099,840	20,283,860
EXPENDITURES					
General Support	$ 1,893,583	$ 1,948,693	$ 2,070,812	$ 2,134,416	$ 2,239,107
Instruction	8,615,883	8,243,905	8,254,798	9,155,026	9,500,175
Pupil Transportation	726,765	670,734	1,026,878	1,109,115	1,175,788
Community Services	8,388	2,993	825	129,400	-
Employee Benefits	3,103,883	3,242,233	3,312,853	3,431,759	3,324,191
Debt Service	1,541,816	1,513,318	1,545,235	1,606,150	1,977,558
Total Expenditures	$ 15,890,318	$ 15,621,876	$ 16,211,401	$ 17,565,866	$ 18,216,819
Other Uses:					
Interfund Transfers	1,109,066	104,665	107,566	2,911,581	110,093
Total Expenditures and Other Uses	16,999,384	15,726,541	16,318,967	20,477,447	18,326,912
Excess (Deficit) Revenues Over Expenditures	650,309	1,867,020	1,778,954	(1,377,607)	1,956,948
FUND BALANCE					
Fund Balance - Beginning of Year	7,484,404	8,179,752 [1]	10,046,772	11,825,726	10,448,119
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 8,134,713	$ 10,046,772	$ 11,825,726	$ 10,448,119	$ 12,405,067

[1] Fund Balance restated.

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024 Original Budget	2024 Final Budget	2024 Actual	2025 Adopted Budget
REVENUES				
Real Property Taxes	$ 8,451,082	$ 8,451,082	$ 8,393,157	$ 8,632,113
Other Tax Items	120,000	120,000	605,902	-
Charges for Services	6,500	6,500	7,872	-
Use of Money & Property	-	-	107,265	-
Sale of Property and Compensation for Loss	253,364	253,364	410,888	-
Miscellaneous	44,000	44,000	38,889	340,500
Revenues from State Sources	10,553,606	10,553,606	10,412,338	10,200,841
Revenues from Federal Sources	60,000	60,000	115,326	-
Total Revenues	$ 19,488,552	$ 19,488,552	$ 20,091,637	$ 19,173,454
Other Sources:				
Interfund Transfers	-	-	-	-
Proceeds from issuance of SBITA	-	-	48,034	-
Proceeds from issuance of leases	-	-	144,189	-
Encumbrances	-	-	-	-
Total Revenues and Other Sources	19,488,552	19,488,552	20,283,860	19,173,454
EXPENDITURES				
General Support	$ 2,350,875	$ 2,499,794	$ 2,239,107	$ 2,462,728
Instruction	10,449,203	10,451,002	9,500,175	10,524,942
Pupil Transportation	1,192,900	1,200,873	1,175,788	1,226,050
Community Services	-	-	-	-
Employee Benefits	3,932,000	3,864,762	3,324,191	3,935,000
Debt Service	1,806,942	1,806,942	1,977,558	1,652,120
Total Expenditures	$ 19,731,920	$ 19,823,373	$ 18,216,819	$ 19,800,840
Other Uses:				
Interfund Transfers	114,000	114,000	110,093	114,000
Total Expenditures and Other Uses	19,845,920	19,937,373	18,326,912	19,914,840
Excess (Deficit) Revenues Over Expenditures	(357,368)	(448,821)	1,956,948	(741,386)
FUND BALANCE				
Fund Balance - Beginning of Year	357,368	448,821	10,448,119	741,386
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 12,405,067	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	6/15 Principal	12/15 & 6/15 Interest	Total
2025	$ 1,025,000	$ 247,725	$ 1,272,725
2026	1,060,000	219,975	1,279,975
2027	860,000	191,175	1,051,175
2028	885,000	168,425	1,053,425
2029	720,000	143,875	863,875
2030	525,000	121,750	646,750
2031	545,000	104,800	649,800
2032	335,000	87,150	422,150
2033	350,000	73,400	423,400
2034	365,000	58,900	423,900
2035	290,000	43,800	333,800
2036	290,000	29,750	319,750
2037	305,000	15,250	320,250
TOTALS	$ 7,555,000	$ 1,505,975	$ 9,060,975

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

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Refunding of 2007 bonds Principal	Interest	Total
2025	215,000	13,050	228,050
2026	220,000	6,600	226,600
TOTALS	$ 435,000	$ 19,650	$ 454,650

Fiscal Year Ending June 30th	2017 Reconstruction Principal	Interest	Total	2020 Various Capital Projects Principal	Interest	Total
2025	$ 375,000	$ 37,775	$ 412,775	$ 265,000	$ 47,400	$ 312,400
2026	385,000	30,275	415,275	275,000	42,100	317,100
2027	390,000	22,575	412,575	285,000	36,600	321,600
2028	400,000	14,775	414,775	290,000	30,900	320,900
2029	210,000	5,775	215,775	305,000	25,100	330,100
2030				310,000	19,000	329,000
2031				320,000	12,800	332,800
2032				100,000	6,400	106,400
2033				100,000	4,400	104,400
2034				105,000	2,400	107,400
2035				15,000	300	15,300
TOTALS	$ 1,760,000	$ 111,175	$ 1,871,175	$ 2,370,000	$ 227,400	$ 2,597,400

Fiscal Year Ending June 30th	2023 DASNY Various Capital Projects Principal	Interest	Total
2025	$ 170,000	$ 149,500	$ 319,500
2026	180,000	141,000	321,000
2027	185,000	132,000	317,000
2028	195,000	122,750	317,750
2029	205,000	113,000	318,000
2030	215,000	102,750	317,750
2031	225,000	92,000	317,000
2032	235,000	80,750	315,750
2033	250,000	69,000	319,000
2034	260,000	56,500	316,500
2035	275,000	43,500	318,500
2036	290,000	29,750	319,750
2037	305,000	15,250	320,250
TOTALS	$ 2,990,000	$ 1,147,750	$ 4,137,750

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the 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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FORM OF BOND COUNSEL'S OPINION

March 6, 2025

Southern Cayuga Central School District,
Counties of Cayuga and Tompkins
State of New York

Re: Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York
$2,000,000 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of $2,000,000 Bond Anticipation Notes, 2025 (the "Obligation"), of the Southern Cayuga Central School District, Cayuga and Tompkins Counties, New York (the "Obligor"), dated March 6, 2025, and issued in the denomination of $_______, bearing interest at the rate of ____% per annum, payable at maturity, and maturing July 17, 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, without limitation as to rate or amount, 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. 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.

Certain agreements, 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 Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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 revenues or moneys of the Obligor legally available 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

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

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.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Financial Statements as of and for the Year Ended June 30, 2024 Together with Independent Auditor's Report

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

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SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

October 15, 2024

To the Board of Education of the
Southern Cayuga 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 Southern Cayuga Central School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

(Continued)

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 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 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 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.

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of contributions - pension plans, schedule of proportionate share of net pension liability (asset), and schedule of changes in total other postemployment benefit liability and related ratios 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 District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of change from original budget to revised budget and schedule of section 1318 of real property tax law limit calculation - general fund, schedule of project expenditures - capital project fund, and the schedule of net investment in capital assets, as required by the New York State Education Department, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

This section of Southern Cayuga Central School District's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- At June 30, 2024 and 2023, total liabilities and deferred inflows (what the District owes) were exceeded by its total assets and deferred outflows (what the District owns), by $5,331,464 and $2,961,988 (net position), respectively. The District had an increase in net position of $2,369,476 from 2023 to 2024 operations.

- General revenue, which includes state aid and property taxes, accounted for $20,331,114 (or 89%), of all revenue. Program specific revenue in the form of Charges for Services, Operating Grant, and Capital grants, accounted for $2,414,729 (or 11%) of total revenue.

- Total expenses in the district-wide financial statements totaled $20,150,370 and $19,737,710 in 2024 and 2023, respectively.

- As of the close of the fiscal year, the District's governmental funds reported combined fund balances of $14,241,969 and $12,916,717 in 2024 and 2023, respectively, an increase of $1,325,252 from 2023 to 2024.

Overview of the 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 statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

FINANCIAL HIGHLIGHTS (Continued)

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

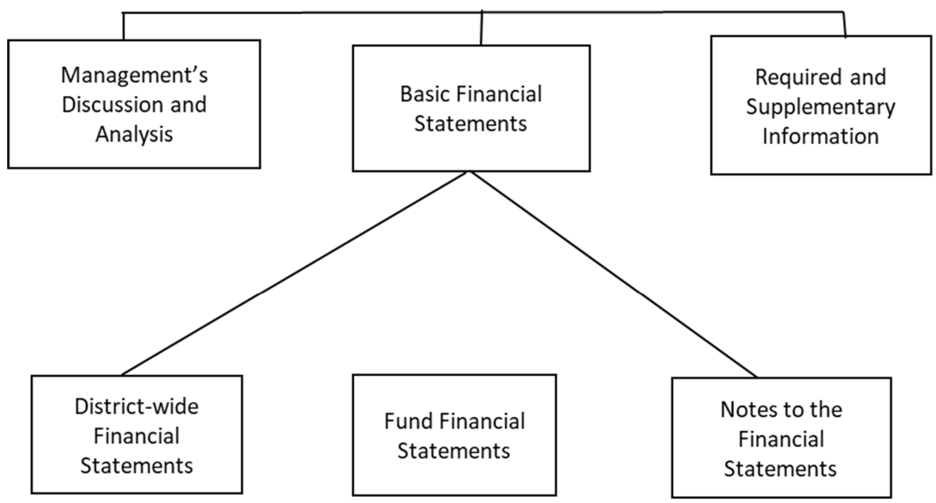

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section highlights the structure and contents of each of the statements.

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

	District-Wide	Governmental Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the District, such as instruction and special education
Required financial statements	Statement of Net Position Statement of Activities	Balance sheet Statement of revenue, expenditures, and changes in fund balance.
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of Asset/Deferred Inflows-Outflows of Resources/Liability Information	All assets/deferred outflows of resources and liabilities/deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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

FINANCIAL HIGHLIGHTS (Continued)

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

Governmental Funds: All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information reported on the Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position explains the relationship (or differences) between them. The governmental funds financial statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the General fund, Special Aid fund, School Lunch fund, Debt Service fund, Miscellaneous Special Revenue fund, and the Capital Projects fund. Required financial statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balance.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table A-3) and the changes in net position (Table A-4) of the District-wide governmental activities.

Table A-3 - Condensed Statements of Net Position - Governmental Activities (in thousands of dollars)

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Current assets	$ 16,414	$ 14,950	9.8%
Non-current assets	23,479	23,460	0.1%
Total assets	39,893	38,410	3.9%
Deferred outflows of resources	4,169	5,632	-26.0%
Current liabilities	2,183	1,967	11.0%
Long term liabilities	32,223	34,400	-6.3%
Total liabilities	34,406	36,367	-5.4%
Deferred inflow of resources	4,099	4,713	-13.0%
Net investment in capital assets	14,257	13,146	8.5%
Restricted	7,887	8,127	-3.0%
Unrestricted	(16,587)	(18,311)	-9.4%
Total net position	$ 5,557	$ 2,962	87.6%

In Table A-3, the District had a large $2.18 million decrease in long-term liabilities due to the paying down of notes payables with no new issuances of long-term debt in FY24.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table A-4 - Changes in Net Position from Operating Results - Governmental Activities (in thousands of dollars)

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Revenues			
Charges for services	$ 70	$ 160	-56.3%
Operating grants	2,337	1,940	20.5%
Capital grants	7	90	-92.2%
General revenue:			
Real property taxes and tax items	8,999	8,634	4.2%
Use of money and property	162	179	-9.5%
Sale of property/ compensation for loss	481	511	-5.9%
State and federal aid not restricted for a specific purpose	10,370	9,648	7.5%
Miscellaneous	205	300	-31.7%
Medicaid reimbursement	115	101	13.9%
Total revenue	22,746	21,563	5.5%
Expenses			
General support	2,567	2,699	-4.9%
Instruction	14,943	14,438	3.5%
Pupil transportation	1,746	1,772	-1.5%
Interest	341	328	4.0%
School lunch	554	501	10.6%
Total expenses	20,151	19,738	2.1%
Changes in net position	$ 2,595	$ 1,825	42.2%

Changes in Net Position
In Table A-4, the District's fiscal year 2024 revenues totaled approximately $23 million. The majority of revenues are from property taxes and state and federal aid, which account for 85.2% of the revenue. The 5.5% increase of total revenue is mainly attributed to the increase of 7.5% in state and federal aid. The total cost of all programs and services totaled approximately $20 million for fiscal year 2024. These expenditures are primarily related to instruction at 74.2% of total District expenses and general support at 12.7% of total District expenses.

Governmental Activities
This section presents the cost of seven major District activities: general support, instruction, pupil transportation, debt service, community service and school lunch. 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.

Total costs of services for the current year and prior year, as well as the percentage change are shown in Table A-4.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table A-5 - Net (Expense) Revenue and Changes in Net Position (in thousands of dollars)

	Net (Expense) Revenue and Changes in Net Position		Percentage Change
	2024	2023	2024 - 2023
Revenues			
General Support	$ (2,566)	$ (2,669)	-3.9%
Instruction	(13,091)	(12,696)	3.1%
Pupil transportation	(1,746)	(1,772)	-1.5%
Interest	(341)	(328)	4.0%
School lunch	8	(53)	-115.1%
Total	$ (17,736)	$ (17,518)	1.2%

In Table A-5, there was an increase in net expense by function of 2.5%. The largest increase in net expense occurred in the instruction financial statement line item as operating grant revenue and capital grant revenue increased in the current year, in comparison to the prior year. The District received more state and federal aid in the current year in comparison to the prior year applicable to instruction.

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 payments for capital assets, and the current payments for debt.

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the General fund. Certain variances from budget to actual relate to implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), including debt service principal and interest.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

Table A-6 - Results vs. Budget

	Original Budget	Final Budget	Actual	Encumbrance	Positive / (Negative)
Revenue:					
Local Sources	$ 8,874,946	$ 8,874,946	$ 9,563,973	$ -	$ 689,027
States Sources	10,553,606	10,553,606	10,412,338	-	(141,268)
Medicaid Reimbursement	60,000	60,000	115,326	-	55,326
Total	19,488,552	19,488,552	20,091,637	-	603,085
Expenditures:					
General Support	2,350,875	2,499,794	2,239,107	32,991	227,696
Instruction	10,449,203	10,451,002	9,500,175	48,893	901,934
Pupil Transportation	1,192,900	1,200,873	1,175,788	13,600	11,485
Employee benefits	3,932,000	3,864,762	3,324,191	-	540,571
Debt service	1,806,942	1,806,942	1,977,558	-	(170,616)
	19,731,920	19,823,373	18,216,819	95,484	1,511,070
Other Financing Sources (Uses)	(114,000)	(114,000)	82,130	-	196,130
Change in fund balance	$ (357,368)	$ (448,821)	$ 1,956,948	$ (95,484)	$ 2,310,285

The General fund is the only fund for which a budget is legally adopted. For the purposes of the above analysis the budget columns do not include appropriated fund balance.

The following significant variances between budget and actual occurred during fiscal year 2024:

- Local sources exceeded budget by $689 thousand due to two major sources. First, the interest earned on investments exceeded expectations due to rate increases and the District's utilization of high interest savings accounts. Additionally, the District received insurance recoveries that were not originally budgeted for.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

- State sources were less than budget by $141 thousand due to a decrease in revenues in Excess cost aids for students with disabilities, as there are many fluctuations year over year relating to this revenue source based on constant changing conditions.

- Instruction expenditures were less than budget by $901 thousand due to grant funding in the special aid fund no longer being available for use in the current year.

- Other financing sources used exceeded budget as a result of a transfer out of the General fund Capital Reserve to the Capital Projects fund to support the upcoming capital project. This was approved by the board, but not factored into the final budget.

All other revenues and all expenditures were closely in line with that budgeted for the year.

Capital Asset and Long-Term Liabilities

Capital Assets

At June 30, 2024 the District had an investment of approximately $23,253,562 in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other education equipment.

Table A-7 - Capital Assets Net of Depreciation (in thousands of dollars)

Category	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Land	$ 66	$ 66	0%
Construction in progress	832	-	100%
Buildings and improvements	19,849	20,755	-4%
Vehicles, furniture and equipment	2,484	2,435	2%
Lease assets	187	149	26%
SBITA assets	62	55	13%
Total	$ 23,480	$ 23,460	0%

Long-Term Liabilities

At year-end, the District had approximately $32,223,000 in long term liabilities. More detailed information about the District's total long-term liabilities is presented in the notes to the financial statements.

Table A-8 - Outstanding Long-Term Liabilities (in thousands of dollars)

Category	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Bonds Payable	$ 7,965	$ 9,153	-13%
Net pension liability	1,221	1,703	-28%
Total other postemployment benefit liability	22,729	23,257	-2%
Compensated absences	141	152	-7%
SBITA liability	-	7	-100%
Lease liability	167	129	29%
Total	$ 32,223	$ 34,401	-6%

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The District does not anticipate or have knowledge of proposed state mandates which would significantly impact the District's financial position for 2024-2025.

- The District continues to experience a decline in enrollments due to limited economic opportunities in the District's community and surrounding areas.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Southern Cayuga Central School District, at 2384 State Route 34B, Aurora, New York 13026.

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2024

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 3,075,616
Cash and cash equivalents - restricted	2,254,974
Investments	3,401,115
Investments - restricted	6,156,462
Accounts receivable	29,046
Prepaid expenditures	83,903
Due from other governments	663,000
Due from federal and state governments	727,049
Inventory	22,680
Total current assets	16,413,845
NON-CURRENT ASSETS:	
Capital assets, nondepreciable	897,606
Capital assets, net	22,581,953
Total non-current assets	23,479,559
Total assets	39,893,404
DEFERRED OUTFLOWS OF RESOURCES	
Pension related - TRS	2,676,880
Pension related - ERS	776,117
Other postemployment benefits	712,195
Debt refunding	4,266
Total deferred outflows of resources	4,169,458
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	75,019
Accrued liabilities	158,275
Unearned revenue	63,868
Due to other governments	245
Due to teachers' retirement system	748,281
Due to employees' retirement system	66,108
Bond anticipation notes	1,071,381
Total current liabilities	2,183,177
LONG-TERM LIABILITIES:	
Due and payable within one year -	
Compensated absences	31,156
Total other postemployment benefits liability	1,019,765
Bonds payable	1,025,000
Lease liability	78,322
Total long-term liabilities due and payable within one year	2,154,243
Due and payable after one year -	
Total other postemployment benefits liability	21,709,291
Bonds payable	6,940,332
Compensated absences	110,009
Net pension liability - ERS	829,884
Net pension liability - TRS	391,013
Lease liability	88,355
Total long-term liabilities due and payable after one year	30,068,884
Total long-term liabilities	32,223,127
Total liabilities	34,406,304
DEFERRED INFLOWS OF RESOURCES	
Pension related - TRS	373,096
Pension related - ERS	429,021
Other postemployment benefits	3,296,980
Total deferred inflows of resources	4,099,097
NET POSITION	
Net investment in capital assets	14,256,704
Restricted	7,887,583
Unrestricted	(16,586,826)
Total net position	$ 5,557,461

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

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Statement of Activities
For the Year Ended June 30, 2024

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:					
General government support	$ 2,566,023	$ -	$ -	$ -	$ (2,566,023)
Instruction	14,942,658	7,872	1,837,222	7,263	(13,090,301)
Pupil transportation	1,746,407	-	-	-	(1,746,407)
Interest	341,027	-	-	-	(341,027)
School lunch program	554,255	62,371	500,001	-	8,117
Total functions/programs	$ 20,150,370	$ 70,243	$ 2,337,223	$ 7,263	(17,735,641)
GENERAL REVENUE:					
Real property taxes and tax items					8,999,059
Use of money and property					162,362
Sale of property and compensation for loss					480,888
State and federal aid not restricted for a specific purpose					10,369,963
Miscellaneous					203,516
Medicaid reimbursement					115,326
Total general revenue					20,331,114
CHANGE IN NET POSITION					2,595,473
NET POSITION - beginning of year					2,961,988
NET POSITION - end of year					$ 5,557,461

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2024

	General	Special Aid	Capital Projects	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,071,733	$ 3,883	$ -	$ -	$ 3,075,616
Cash and cash equivalents - restricted	-	-	1,875,451	379,523	2,254,974
Investments	3,401,115	-	-	-	3,401,115
Investments - restricted	6,156,462	-	-	-	6,156,462
Accounts receivable	25,861	3,185	-	-	29,046
Due from other funds	346,540	4,332	162,909	684,776	1,198,557
Due from federal and state governments	176,752	519,015	1,566	29,716	727,049
Due from other governments	663,000	-	-	-	663,000
Prepaid expenditures	83,903	-	-	-	83,903
Inventory	-	-	-	22,680	22,680
Total assets	$ 13,925,366	$ 530,415	$ 2,039,926	$ 1,116,695	$ 17,612,402
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	$ 29,623	$ 21,541	$ 23,731	$ 124	$ 75,019
Accrued liabilities	107,834	-	-	981	108,815
Due to other funds	530,294	445,006	223,257	-	1,198,557
Due to other governments	-	-	-	245	245
Due to Teachers' Retirement System	748,281	-	-	-	748,281
Due to Employees' Retirement System	66,108	-	-	-	66,108
Unearned revenue	-	63,868	-	-	63,868
BAN payable	-	-	1,071,381	-	1,071,381
Compensated absences	31,156	-	-	-	31,156
Total liabilities	1,513,296	530,415	1,318,369	1,350	3,363,430
DEFERRED INFLOWS OF RESOURCES:					
State aid	7,003	-	-	-	7,003
Total deferred inflows of resources	7,003	-	-	-	7,003
FUND BALANCES:					
Nonspendable	83,903	-	-	22,680	106,583
Restricted	6,073,361	-	721,557	1,092,665	7,887,583
Assigned	836,870	-	-	-	836,870
Unassigned	5,410,933	-	-	-	5,410,933
Total fund balances	12,405,067	-	721,557	1,115,345	14,241,969
Total liabilities, deferred inflows of resources and fund balances	$ 13,925,366	$ 530,415	$ 2,039,926	$ 1,116,695	$ 17,612,402

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

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Fund balance - total governmental funds	$	14,241,969
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds		23,479,559
Some of the District's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		7,003
Deferred outflows/inflows of resources related to pensions and other postemployment benefits are applicable to future periods and therefore, are not reported in the funds:		
Deferred loss on refunding		4,266
Deferred outflows - ERS/TRS		3,452,997
Deferred inflows - ERS/TRS		(802,117)
Deferred outflows - OPEB		712,195
Deferred inflows - OPEB		(3,296,980)
Net pension liabilities are not due and payable in the current period and; therefore, are not reported in the funds:		
Net pension liability - TRS		(829,884)
Net pension liability - ERS		(391,013)
Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the funds:		
Compensated absences		(110,009)
Lease liability		(166,677)
Bonds payable		(7,965,332)
Total other postemployment benefits (OPEB) liability		(22,729,056)
Accrued interest		(49,460)
Net position of governmental activities	$	5,557,461

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

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2024

	General	Special Aid	Capital Projects	Nonmajor Funds	Total Governmental Funds
REVENUES:					
Real property tax and tax items	$ 8,393,157	$ -	$ -	$ -	$ 8,393,157
Other tax items	605,902	-	-	-	605,902
Charges for services	7,872	-	-	-	7,872
Use of money and property	107,265	-	-	55,097	162,362
Sale of property and compensation for loss	410,888	-	70,000	-	480,888
Miscellaneous	38,889	21,593	-	143,034	203,516
State sources	10,412,338	157,185	7,263	125,232	10,702,018
Federal sources	-	1,696,741	-	374,769	2,071,510
Medicaid reimbursement	115,326	-	-	-	115,326
Sales	-	-	-	62,371	62,371
Total revenues	20,091,637	1,875,519	77,263	760,503	22,804,922
EXPENDITURES:					
General support	2,239,107	-	-	-	2,239,107
Instruction	9,500,175	1,525,808	-	155,905	11,181,888
Transportation	1,175,788	32,854	-	-	1,208,642
Employee benefits	3,324,191	326,950	-	26,311	3,677,452
Cost of school lunch sales	-	-	-	493,326	493,326
Capital outlays	-	-	1,191,352	-	1,191,352
Debt service -					
Principal	1,609,298	-	-	-	1,609,298
Interest	368,260	-	-	-	368,260
Total expenditures	18,216,819	1,885,612	1,191,352	675,542	21,969,325
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,874,818	(10,093)	(1,114,089)	84,961	835,597
OTHER FINANCING SOURCES AND (USES):					
Proceeds from issuance of SBITA	48,034	-	-	-	48,034
Proceeds from issuance of leases	144,189	-	-	-	144,189
BANs redeemed from appropriations	-	-	297,432	-	297,432
Transfers in	-	10,093	100,000	-	110,093
Transfers out	(110,093)	-	-	-	(110,093)
Total other financing sources (uses)	82,130	10,093	397,432	-	489,655
CHANGE IN FUND BALANCE	1,956,948	-	(716,657)	84,961	1,325,252
FUND BALANCE - beginning of year	10,448,119	-	1,438,214	1,030,384	12,916,717
FUND BALANCE - end of year	$ 12,405,067	$ -	$ 721,557	$ 1,115,345	$ 14,241,969

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

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balance - total governmental funds	$ 1,325,252
Certain capital outlays and the addition of capital assets are expenditures in governmental funds, but are capitalized in the statement of net position.	1,609,572
Depreciation and amortization are not recorded as an expenditure in the governmental funds, but are recorded in the statement of activities.	(1,416,701)
Loss on disposal of capital assets is not recorded as an expenditure in the governmental funds, but is recorded as an expense in the statement of activities.	(173,193)
Repayments of long-term debt, lease and SBITA obligations are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	1,609,298
Proceeds from issuance of leases and SBITA are recorded as other financing sources for governmental funds, but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year.	(192,223)
Amortization of bond premiums are not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	38,063
Amortization of deferred charges on defeased debt is not recorded as expenditures in the governmental funds, but is recorded in the statement of activities.	(4,169)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense.	(728,579)
On the statement of activities, the actual and projected long term expenditures for postemployment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.	892,773
Some revenues will not be collected for several months after the District's fiscal year end. They are not considered "available" revenues and are reported as deferred inflows of resources in the governmental funds.	7,003
The prior year deferred inflow at the fund level was recognized as revenue in the funds, but was already included in revenue in the statement of activities in the prior year.	(66,082)
Proceeds of long-term debt are recorded as other financing sources for governmental funds, but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year.	(297,432)
Certain expenses in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:	
Compensated absences	2,721
Change in accrued interest	(10,830)
Change in net position - governmental activities	$ 2,595,473

1. NATURE OF OPERATIONS

The Southern Cayuga Central School District (the District) provides free K-12 public education to students living within its geographic borders.

Reporting Entity
The District is governed by the Laws of New York State. The District is an independent entity governed by an elected Board of Education (BOE) consisting of seven members. The President of the BOE serves as chief fiscal officer and the Superintendent is the chief executive officer. The BOE is responsible for, and controls, all activities related to public school education within the District. BOE members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

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 an entity included in the District’s reporting entity:

- Extraclassroom Activity Funds - The extraclassroom activity funds of the District represent funds of the students of the District. The BOE exercises general oversight of these funds; however, the funds are used as designated by student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District’s business office. The District accounts for the activities of these various student organizations in the Miscellaneous Special Revenue Fund.

Joint Venture
The District is one of nine component school districts in the Cayuga Onondaga Board of Cooperative Education Services First Supervisory District (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which 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.

1. NATURE OF OPERATIONS (Continued)

Joint Venture (Continued)
The BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school 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 school districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $3,392,718 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,161,934, including $392,219 of BOCES refund of prior year expense.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

Certain significant accounting principles and policies utilized by the District are described below.

Basis of Presentation
The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

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

The statement of activities presents a comparison between direct expenses and program revenue 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 revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements
The fund statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)
Special Revenue Funds - These funds accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

Capital Projects Fund - This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following nonmajor governmental funds:

Special Revenue Funds –

- School Lunch Fund - Used to account for transactions of the lunch and breakfast programs.

- Miscellaneous Special Revenue Fund - Used to account for the activity of the extraclassroom activity funds and the scholarship activity funds.

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

Measurement Focus and Basis of Accounting
Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)
Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other postemployment benefits and long-term pension obligation, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Property Taxes
Real property taxes are levied annually by the BOE no later than September 1, and become a lien during mid-August. Taxes are collected during the period September 1 to mid-November. Taxes not collected at that time are turned over to the County, who assume all responsibility for collection. Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

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

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

In the district-wide statements, eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 6 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Restricted Cash and Investments

Restricted cash and investments represents cash, cash equivalents and investments where use is limited by legal requirements. These assets include amounts required by statute to be reserved for various purposes.

Accounts Receivable

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

Inventory

Inventory of food and/or supplies in the School Lunch 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.

Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Land and work in progress are not depreciated. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. 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	$ 5,000	SL	50 years
Buildings and improvements	$ 5,000	SL	20-50 years
Furniture and equipment	$ 5,000	SL	5-20 years

The District utilizes the straight-line method of depreciation. Capital assets also include lease assets and subscription-based information technology arrangements (SBITAs) with a term greater than one year. The District does not implement a capitalization threshold for lease assets. Lease and SBITA assets are amortized using the straight-line method over the term of the lease/SBITA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

Eligible employees receive annual sick leave, vacation, and personal leave time. Eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, employees may contractually receive a payment towards other postemployment benefits based on unused accumulated vacation as applicable.

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.

Accruals in the accompanying financial statements for earned but unused vacation time has been calculated using the vesting/termination method and is calculated based on the pay rates in effect at year-end.

In the fund statements these amounts are recognized as expenditures on a pay-as-you-go basis.

Other Benefits

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

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these 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 or operating transfer to other funds in the General fund in the year paid.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

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.

Accounts Payable, Accrued Liabilities, Due to other Governments and Long-Term Obligations

Payables, accrued liabilities, Due to other governments, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable, Accrued Liabilities, Due to other Governments and Long-Term Obligations (Continued)

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.

District-Wide Statements - Equity Classifications

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

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

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

Unrestricted net position - reports all other 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.

Governmental Fund Financial Statements - Equity Classifications

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

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory and prepaid items normally recorded in the School Lunch and General Funds. Total Nonspendable fund balance at June 30, 2024, amounted to $106,583.

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

<u>Capital reserve</u>

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

<u>Tax Reduction Reserve</u>

Education Law §1604 (36) and §1709 (37) authorizes the District to establish a reserve fund for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be place in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years and to use them during that period for tax reduction. This reserve is accounted for in the General Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Retirement Contributions Reserve

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the BOE. This reserve is accounted for in the General Fund. Effective as of April 1, 2019, a BOE may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the BOE 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.

Employee Benefit Accrued Liability Reserve

According to General Municipal Law §6-p, all expenditures from this reserve must be used to reserve funds for the payment of accrued employee benefits 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.

Workers' Compensation Reserve

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

Repair Reserve

According to General Municipal Law §6-d, all expenditures from this reserve must be used to pay the cost of repairs to capital improvements or equipment which are of a type not recurring annually. The board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If not hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

Unemployment Insurance Reserve

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by BOE 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Property Loss Reserve

According to Education Law §1709 (8-c)), all expenditures from the property loss reserve are to be used to establish and maintain a program of reserves to cover property loss claims incurred. This type of reserve fund may be utilized only by school districts. Annual contributions are limited to 3 percent of the annual budget or $15,000, whichever is greater. Funds cannot be used for another purpose without voter approval except Board of Education may use monies not required to settle pending claims to purchase insurance policies to cover losses previously self-insured. Balances may not be reduced below amounts required to settle all pending claims. These reserves are accounted for in the General Fund.

Restricted fund balance includes the following:

General Fund:	
Capital Reserve	$ 1,883,261
Retirement Contributions Reserve	1,387,179
Employee Benefit Accrued Liability Reserve	132,427
Workers' Compensation Reserve	17,270
Repair Reserve	2,251,145
Unemployment Insurance Reserve	359,198
Property Loss Reserve	42,881
Total General Fund	6,073,361
Miscellaneous Special Revenue Fund:	
Extraclassroom activities	44,568
Scholarships	106,014
Total miscellaneous special revenue fund	150,582
Debt Service Fund	684,776
School Lunch Fund	257,307
Capital Projects Fund	721,557
Total Restricted Fund Balance	$ 7,887,583

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

Assigned fund balance - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General fund are classified as assigned fund balance. Encumbrances reported in the General Fund amounted to $95,484. Appropriated fund balance in the General Fund amounted to $741,386. As of June 30, 2024, the District's General Fund encumbrances were classified as follows:

General support	$ 32,991
Instruction	48,893
Pupil Transportation	13,600
Total	$ 95,484

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)
Unassigned fund balance - 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. 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, committed or assigned.

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. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation. At year-end, the District was not in compliance with the 4% limitation.

Order of Fund Balance Spending Policy
The District is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and finally 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 special revenue funds are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining general fund amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities 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 results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities
Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of five broad categories.

- Long Term Revenue and Expense Differences
  Long-term revenue differences arise because governmental funds report revenue only when it is considered "available," whereas the statement of activities reports revenue 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.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (Continued)

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities (Continued)

- Capital Related Differences
  Capital related differences include the difference between proceeds from 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.

- Long Term Debt Transaction Differences
  Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

Budgets
The District administration prepares a proposed budget for approval by the BOE for the General Fund. The voters of the District approved the proposed appropriation budget. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the BOE 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 restriction, if the board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

Encumbrances
Encumbrance accounting is used for budgetary control and monitoring purposes and is reported as a part of the governmental funds. Under this method contracts and other commitments for goods and services 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.

5. CASH AND INVESTMENTS

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.

At June 30, 2024, the reported amount of the District's deposits was $5,330,590 and the bank balance was $5,995,024. Of the bank balance, $500,000 was covered by federal depository insurance and $5,869,715 was covered by collateral held in the pledging bank's trust department in the District's name.

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 $2,254,974 within the governmental funds.

The District participates in the New York Liquid Asset Fund (NYLAF). NYLAF is a cooperative investment program established by participating New York school districts, municipal corporations, boards of cooperative educational services and fire districts. NYLAF was organized in accordance with Article 5-G of the New York General Municipal Law, as amended, and Article 3-A of the General Municipal Law.

NYLAF's investment objective is to provide Participants with high current income consistent with the preservation of capital and the maintenance of liquidity while investing only in instruments authorized by the provisions of New York law that govern the temporary investment of funds by Municipal Corporations. NYLAF seeks to attain its investment objective by pursuing a professionally advised investment program consistent with the policies and restrictions described below. NYLAF seeks to maintain a rating of AAAm from Standard & Poor's ("S&P").

5. CASH AND INVESTMENTS (Continued)

NYLAF percentage of assets by class:

	June 30, 2024
Repurchase agreements	22%
Bank products	35%
Treasury/agency securities	43%
Total	100%

The District's amount of NYLAF investments at market value as of June 30, 2024 was $9,557,577.

6. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General fund	$ 346,540	$ 530,294	$ -	$ 110,093
Special aid fund	4,332	445,006	10,093	-
Capital projects fund	162,909	223,257	100,000	-
Debt service fund	684,776	-	-	-
Total	$ 1,198,557	$ 1,198,557	$ 110,093	$ 110,093

Interfund receivables and payables are eliminated on the statement of net position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Interfund receivables and payables were incurred primarily due to salaries paid by the General Fund on behalf of the Special Aid Fund. There are typically amounts payable to the Debt Service Fund from the General Fund related to payments on long-term debt. The District also transfers funds from the Capital Reserve in the General Fund to the Capital Projects Fund to fund capital projects.

7. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 65,500	$ -	$ -	$ 65,500
Construction in progress	-	832,106	-	832,106
Total nondepreciable cost	65,500	832,106	-	897,606
Capital assets that are depreciated:				
Buildings	33,097,812	-	-	33,097,812
Furniture and Equipment	3,826,429	585,243	(446,068)	3,965,604
Total depreciable cost	36,924,241	585,243	(446,068)	37,063,416
Less accumulated depreciation:				
Buildings	(12,341,858)	(906,567)	-	(13,248,425)
Furniture and Equipment	(1,391,770)	(362,651)	272,875	(1,481,546)
Total accumulated depreciation	(13,733,628)	(1,269,218)	272,875	(14,729,971)
Total depreciable cost - net	23,190,613	(683,975)	(173,193)	22,333,445
Leased assets that are amortized:				
Equipment	237,032	144,189	(73,921)	307,300
Total lease assets that are amortized	237,032	144,189	(73,921)	307,300
Less accumulated amortization:				
Equipment	(87,853)	(106,700)	73,921	(120,632)
Total accumulated amortization	(87,853)	(106,700)	73,921	(120,632)
Total lease assets, net	149,179	37,489	-	186,668
SBITA assets that are amortized:				
SBITA	99,016	48,034	(52,124)	94,926
Total SBITA assets that are amortized	99,016	48,034	(52,124)	94,926
Less accumulated amortization:				
SBITA	(44,427)	(40,783)	52,124	(33,086)

7. CAPITAL ASSETS (Continued)

Total accumulated amortization	(44,427)	(40,783)	52,124	(33,086)
Total SBITA assets, net	54,589	7,251	-	61,840
Governmental activities capital assets, net	$ 23,459,881	$ 192,871	$ (173,193)	$ 23,479,559

Depreciation and amortization was charged to governmental activities as follows:

	Depreciation	Amortization
General government support	$ 17,476	$ -
Instruction	1,005,271	147,483
School lunch	246,471	-
Total	$ 1,269,218	$ 147,483

8. LONG-TERM OBLIGATIONS

Long-term liability balances and activity are summarized as of June 30, 2024:

	Beginning Balance	Additions {a}	Deletions {a}	Ending Balance	Due Within One Year
General obligation debt:					
Serial bonds payable	$ 8,705,000	$ -	$ (1,150,000)	$ 7,555,000	$ 1,025,000
Unamortized premium	448,395	-	(38,063)	410,332	-
Total bonds payable	$ 9,153,395	$ -	$ 1,188,063	$ 7,965,332	$ 1,025,000
Other liabilities:					
Compensated absences	$ 151,573	$ -	$ (10,408)	$ 141,165	$ 31,156

{a} Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

8. LONG-TERM OBLIGATIONS (Continued)

Interest for the year was composed of:

Interest paid	$	361,621
SBITA interest paid		184
Lease interest paid		6,455
Less: Amortization of bond premium		(38,063)
Less: Interest accrued in the prior year		(38,630)
Plus: Interest accrued in the current year		49,460
Total interest expense	$	341,027

Issue dates, maturities, and interest rates on outstanding debt are as follows:

Serial Bonds	Original Issue Date	Final Maturity	Interest Rate	6/30/2024 Balance
Advance Funding	8/18/2015	6/15/2026	2.00%-4.00%	$ 435,000
2017 Serial Bonds - Capital	6/22/2017	6/15/2029	2.00%-2.75%	1,760,000
2020 Serial Bonds - Capital	6/28/2020	6/15/2035	2.00%	2,370,000
2023 Revenue Bonds - Series A	6/15/2023	6/15/2037	5.00%	2,990,000
Total bond issue				$ 7,555,000

The following is a summary of the maturity of long-term indebtedness as of June 30, 2024:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2025	1,025,000	247,725	1,272,725
2026	1,060,000	226,425	1,286,425
2027	860,000	197,775	1,057,775
2028	885,000	168,425	1,053,425
2029	720,000	143,875	863,875
2030-2034	2,120,000	446,000	2,566,000
2035-2039	885,000	88,800	973,800
Total	$ 7,555,000	$ 1,519,025	$ 9,074,025

On August 18, 2015, the District issued $2,765,000 general obligation bonds, with interest rates ranging from 2.00% and 4.00%. The District issued bonds to advance refund the $2,755,000 outstanding various general obligation bonds with interest rates ranging between 4.00% and 4.20%. The District used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the $2,775,000 in bonds were considered defeased and the liability was removed from the financial statements. The outstanding principal of the defeased bonds was $435,000 at June 30, 2024.

9. SHORT-TERM OBLIGATIONS

Short term debt provides financing for governmental activities. The District issued Bond Anticipation Notes (BANS) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds.

The following is a summary of changes in short-term debt for the year ended June 30, 2024:

July 1, 2023	$ 922,432
Borrowings	1,071,381
Repayments	(297,432)
BANs Redeemed from Appropriation	(625,000)
June 30, 2024	$ 1,071,381

Below is a summary of BANs outstanding as of June 30, 2024:

Date Issued	Maturity Date	Interest Rate	Amount
8/24/2023	8/24/2024	4.28%	$ 625,000
9/14/2023	8/23/2024	4.54%	446,381
			$ 1,071,381

10. LEASES

The District leases copiers and equipment, primarily from BOCES. The leases have various inception dates with remaining terms of 24 - 37 months, with interest rates between 0.51% and 3.89%.

Activity of lease liability for the year ended June 30, 2024 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
$ 129,326	$ 144,189	$ (106,838)	$ 166,677	$ 78,322

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest	Total
2025	$ 78,322	$ 5,860	$ 84,182
2026	28,347	3,398	31,745
2027	29,438	2,308	31,746
2028	30,570	1,176	31,746
Total	$ 166,677	$ 12,742	$ 179,419

11. PENSION PLANS

New York State Employees' Retirement System

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

Contributions

The system is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

		ERS
2024	$	227,351
2023	$	184,401
2022	$	228,465

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

At June 30, 2024, the District reported a net pension liability of $829,884 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District's proportionate share was 0.0056363%, which was an decrease of 0.0006704% from its proportionate share at June 30, 2024.

11. PENSION PLANS (Continued)

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

For the year ended June 30, 2024, the District recognized pension expense of $417,342. At June 30, 2024, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 267,305	$ 22,629
Changes of assumptions	313,761	-
Net difference between projected and actual earnings on pension plan investments	-	405,394
Changes in proportion and differences between the District's contributions and proportionate share of contributions	128,943	998
Contributions subsequent to the measurement date	66,108	-
Total	$ 776,117	$ 429,021

The District recognized $66,108 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2024 which will be recognized on a reduction of the net pension liability in the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2025	$ (104,858)
2026	194,114
2027	266,978
2028	(75,246)
	$ 280,988

Actuarial Assumptions
The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024.

The actuarial valuation used the following actuarial assumptions:

Inflation	2.9%
Salary scale	4.4% indexed by service
Cost-of-living adjustments	1.5%
Decrements	Developed from the Plan's experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% net of investment expenses, including inflation

11. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The long-term expected 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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic Equity	32	4.00
International Equity	15	6.65
Private Equity	10	7.25
Real Estate	9	4.60
Opportunistic/absolute return strategies	3	5.25
Credit	4	5.40
Real Assets	3	5.79
Fixed	23	1.50
Cash	1	0.25
	100%	

Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 4.9%	Current Discount 5.9%	1% Increase 6.9%
Proportionate Share of Net Pension liability (asset)	$ 2,609,240	$ 829,884	$ (656,248)

11. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2024, were as follows:

Employers' total pension liability	$ 240,696,851
Fiduciary net position	225,972,801
Employers' net pension liability (asset)	$ 14,724,050
Ratio of fiduciary net position to the employers' total pension liability	93.88%

New York State Teachers' Retirement System

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 Comprehensive Annual Financial report and/or the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer, which can be found on the System's website at www.nystrs.org.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides 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. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

NYSTRS is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

11. PENSION PLANS (Continued)

Contributions (Continued)
The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

		TRS
2024	$	649,808
2023	$	577,294
2022	$	577,337

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2024, the District reported net pension liability of $391,013 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District's proportionate share was 0.0341920%, which was an increase of 0.00094% from its proportionate share as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of $1,081,712. At June 30, 2024 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 948,103	$ 2,343
Changes of assumptions	841,840	183,474
Net difference between projected and actual earnings on pension plan investments	199,878	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	49,937	187,279
Contributions subsequent to the measurement date	637,122	-
Total	$ 2,676,880	$ 373,096

The District recognized $637,122 as a deferred outflows of resources related to pensions resulted to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2024 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

11. PENSION PLANS (Continued)

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

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

Plan's Year Ended June 30:	
2024	$ 131,596
2025	(227,903)
2026	1,547,897
2027	93,194
2028	68,820
Thereafter	53,058
	$ 1,666,662

Actuarial Assumptions

The total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with updated procedures used to roll forward the total pension liability to June 30, 2024. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.4%
Projected Salary Increases	Rates of increase differ based on service They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant morality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

11. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The Long Term Expected Real Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic Equity	33	6.8
International Equity	15	7.6
Global Equity	4	7.2
Real Estate Equity	11	6.3
Private equity	9	10.1
Domestic fixed income	16	2.2
Global bonds	2	1.6
Private Debt	2	6.0
Real Estate Debt	6	3.2
High-yield bonds	1	4.4
Cash equivalents	1	0.3
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) of the District calculated using the discount rate of 6.95 percent, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 5.95%	Current Discount 6.95%	1% Increase 7.95%
Proportionate Share of Net Pension liability (asset)	$ 5,955,331	$ 391,013	$ (4,288,819)

11. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers as of June 30, 2024, were as follows:

Total pension liability	$ 138,365,122
Plan fiduciary net position	137,221,537
School districts' net pension liability (asset)	$ 1,143,585
Plan fiduciary net position as a percentage of total pension liability	99.2%

Payables to the Pension Plans

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

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	June 30, 2024
ERS Liability	$ 66,108
TRS Liability	$ 748,281

12. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Plan Description

The District administers the Southern Cayuga Central School District Retiree Medical, Prescription Vision and Dental Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). The Plan provides for continuation of medical, prescription vision and dental benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated in a trust that meets the criteria of GASB Statement No. 75, paragraph 4 for the sole purpose of paying benefits under the Plan.

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 BOE.

12. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

Funding Policy

The obligations of the Plan members, employers and other entities are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the District.

Employees Covered by Benefit Terms

At June 30, 2024, valuation date, the following employees were covered by the benefit terms:

Active employees, not eligible to retire	77
Active employees, eligible to retire	21
Retired employees and surviving spouses	114
Retiree spouses covered	43
Total participants	255

Total OPEB Liability

The District's total OPEB liability of $22,729,056 as measured as of March 31, 2024, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs

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

Inflation	2.42%
Salary Scale	3.42%
Discount Rate	3.98%
Healthcare Cost Trend Rate	5.10% for 2024, decreasing to an ultimate rate of 3.86% after 2070
Cost Method	Entry Age Normal Level Percent of Pay method

The discount rate was based on the Fidelity Municipal Go AA 20-Year Bond rate.

Mortality rates were based on improvement scale updated to MP-2021.

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 23,256,297
Changes for the Year-	
Service cost	419,518
Interest	857,874
Changes of benefit terms	(327,080)
Differences between expected and actual experience	73,226
Changes in assumptions or other inputs	(570,047)
Expected benefit payments	(980,732)
Net changes	(527,241)
Balance at June 30, 2024	$ 22,729,056

12. TOTAL OTHER POSTEMPLOYMENT BENEFITS 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 or 1 percentage point higher than the current discount rate:

	1% Decrease 2.98%	Current Discount 3.98%	1% Increase 4.98%
Total OPEB Liability	$ 25,890,177	$ 22,729,056	$ 20,147,690

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 or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease 4.10% to 2.86%	Current Trend 5.10% to 3.86%	1% Increase 6.10% to 4.86%
Total OPEB Liability	$ 19,860,189	$ 22,729,026	$ 26,296,350

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

For the year ended June 30, 2024, the District recognized OPEB expense of $82,543. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 467,684	$ 214,616
Changes of assumptions	-	3,082,364
Benefit payments subsequent to measurement date	244,511	-
Total	$ 712,195	$ 3,296,980

The District recognized $244,511 as a deferred outflow of resources related to benefit payments made subsequent to the measurement date of June 30, 2024 which will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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	Amount
2025	$ (813,120)
2026	(756,871)
2027	(756,871)
2028	(483,323)
2029	(19,111)
	$ (2,829,296)

13. RISK MANAGEMENT

General

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, etc. 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.

Health Insurance Plan

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

If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained at the Cayuga Onondaga BOCES administration office at 1879 W. Genesee Street Road, Auburn, New York.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurances permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as a direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

During the year ended June 30, 2024, the District incurred health insurance premiums or contribution expenditures totaling $1,931,099.

Worker’s Compensation

The District participates and incurs costs related to a workers' compensation insurance plan (Plan) sponsored by BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program.

Districts joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan after that time by forwarding a resolution passed by the District Board of Education prior to the end of the fiscal year. Plan members include eight districts and one BOCES, with the District bearing a share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained at the Cayuga Onondaga BOCES administration office at 1879 W. Genesee Street Road, Auburn, New York.

13. RISK MANAGEMENT (Continued)

Worker's Compensation (Continued)

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred by not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended June 30, 2024, the District incurred workers' compensation premiums or contribution expenditures totaling $75,280.

14. CONTINGENCIES AND COMMITMENTS

Litigation

There is no litigation pending against the District as of the balance sheet date.

Grants

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

15. TAX ABATEMENTS

For the year ended June 30, 2024, property in the District was subject to property tax abatements negotiated by the Cayuga County Industrial Development Agency (CCIDA).

The CCIDA enters into PILOT agreements with businesses within Cayuga County under New York State GML section 858. Economic development agreements entered into by the CCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reduction of property taxes, which the CCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

As a result of these tax abatement agreements, for the year ended June 30, 2024, the District's total tax revenues were reduced by $12,927. The District received payment in Lieu of Tax (PILOT) payment totaling $15,861.

16. SUBSEQUENT EVENTS

The District issued two BANs of $740,000 at an interest rate of 3.79% and $265,568 at an interest rate of 3.95% on August 22, 2024 and September 17, 2024, respectively. Both of these BANs were used for the purchase of school buses.

SUPPLEMENTARY INFORMATION

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Debt Service	School Lunch	Miscellaneous Special Revenue	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents - restricted	$ -	$ 227,960	$ 151,563	$ 379,523
Due from other funds	684,776	-	-	684,776
Due from federal and state governments	-	29,716	-	29,716
Inventory	-	22,680	-	22,680
Total assets	$ 684,776	$ 280,356	$ 151,563	$ 1,116,695
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	$ -	$ 124	$ -	$ 124
Accrued liabilities	-	-	981	981
Due to other governments	-	245	-	245
Total liabilities	-	369	981	1,350
FUND BALANCES:				
Nonspendable	-	22,680	-	22,680
Restricted	684,776	257,307	150,582	1,092,665
Total fund balances	684,776	279,987	150,582	1,115,345
Total liabilities and fund balances	$ 684,776	$ 280,356	$ 151,563	$ 1,116,695

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Debt Service	School Lunch	Miscellaneous Special Revenue	Total Nonmajor Governmental Funds
REVENUE:				
Use of money and property	$ 55,097	$ -	$ -	$ 55,097
Miscellaneous	2,232	227	140,575	143,034
State sources	-	125,232	-	125,232
Federal sources	-	374,769	-	374,769
Sales	-	62,371	-	62,371
Total revenue	57,329	562,599	140,575	760,503
EXPENDITURES:				
Instruction	-	-	155,905	155,905
Employee benefits	-	26,311	-	26,311
Cost of school lunch sales	-	493,326	-	493,326
Total expenditures	-	519,637	155,905	675,542
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	57,329	42,962	(15,330)	84,961
CHANGE IN FUND BALANCE	57,329	42,962	(15,330)	84,961
FUND BALANCES - beginning of year	627,447	237,025	165,912	1,030,384
FUND BALANCES - end of year	$ 684,776	$ 279,987	$ 150,582	$ 1,115,345

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance With Budgetary Actual
REVENUE					
Real property taxes	$ 8,451,082	$ 8,451,082	$ 8,393,157	$ -	$ (57,925)
Other tax items	120,000	120,000	605,902	-	485,902
Charges for services	6,500	6,500	7,872	-	1,372
Use of money and property	-	-	107,265	-	107,265
Sale of property and compensation for loss	253,364	253,364	410,888	-	157,524
Miscellaneous	44,000	44,000	38,889	-	(5,111)
State sources	10,553,606	10,553,606	10,412,338	-	(141,268)
Medicaid reimbursement	60,000	60,000	115,326	-	55,326
Total revenue	19,488,552	19,488,552	20,091,637	-	603,085
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	234,207	244,647	239,886	-	4,761
Finance	513,484	548,422	510,371	4,808	33,243
Staff	88,650	80,562	65,623	-	14,939
Central services	1,280,560	1,300,809	1,181,776	28,183	90,850
Special items	233,974	325,354	241,451	-	83,903
Total general support	2,350,875	2,499,794	2,239,107	32,991	227,696
INSTRUCTION:					
Instruction, administration, and improvement	5,372,940	5,436,191	4,980,942	21,243	434,006
Teaching - regular school	16,500	16,500	2,625	-	13,875
Programs for children with handicapping conditions	2,857,926	2,470,202	2,219,988	114	250,100
Occupational education	581,030	581,464	568,219	-	13,245
Instructional media	799,307	1,160,130	1,038,620	19,408	102,102
Pupil services	821,500	786,515	689,781	8,128	88,606
Total instruction	10,449,203	10,451,002	9,500,175	48,893	901,934
Pupil transportation	1,192,900	1,200,873	1,175,788	13,600	11,485
Employee benefits	3,932,000	3,864,762	3,324,191	-	540,571
Debt service	1,806,942	1,806,942	1,977,558	-	(170,616)
Total expenditures	19,731,920	19,823,373	18,216,819	95,484	1,511,070
Excess (deficiency) of revenue over expenditures	(243,368)	(334,821)	1,874,818	(95,484)	2,114,155

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance With Budgetary Actual
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of SBITA	-	-	48,034	-	48,034
Proceeds from issuance of leases	-	-	144,189	-	144,189
Transfers out	(114,000)	(114,000)	(110,093)	-	3,907
Total other financing sources (uses)	(114,000)	(114,000)	82,130	-	196,130
CHANGE IN FUND BALANCES	$ (357,368)	$ (448,821)	1,956,948	$ (95,484)	$ 2,310,285
FUND BALANCE - beginning of year			10,448,119		
FUND BALANCE - end of year			$ 12,405,067		

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios (Unaudited)
For the Year Ended June 30:

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service cost	$ 420	$ 471	$ 529	$ 505	$ 518	$ 513	$ 605	$ 624	Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.	
Interest	858	729	597	619	860	977	1,079	965		
Changes of benefit terms	(327)	(44)	-	(1)	-	326	-	-		
Differences between expected and actual experience	73	(334)	1,491	223	(4,377)	(3,082)	(2,618)	897		
Changes in assumptions	(570)	(2,865)	(2,109)	1,003	3,882	112	663	(1,934)		
Benefit payments	(981)	(1,000)	(997)	(925)	(928)	(951)	(951)	(951)		
Total change in total OPEB liability	(527)	(3,043)	(489)	1,424	(45)	(2,105)	(1,222)	(399)		
Total OPEB liability - beginning	23,256	26,299	26,788	25,364	25,409	27,514	28,736	29,135		
Total OPEB liability - ending	$ 22,729	$ 23,256	$ 26,299	$ 26,788	$ 25,364	$ 25,409	$ 27,514	$ 28,736		
Covered-employee payroll	$ 6,429	$ 6,209	$ 5,588	$ 5,402	$ 5,556	$ 1,229	$ 6,834	$ 6,615		
Total OPEB liability as a	354%	375%	471%	496%	457%	2067%	403%	434%		

Notes to schedule:

Changes of assumptions and other inputs reflect the following:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

- The single discount rate change is as follows:

Discount rate	3.98%	3.78%	2.83%	2.27%	2.48%	3.44%	3.61%	3.80%	Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

- The salary scale changed from 3.53% to 3.42%.
- Updated healthcare cost trend rates.

Plan Assets . No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the Year Ended June 30:

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability/asset	0.00564%	0.004966%	0.004097%	0.004064%	0.004108%	0.004301%	0.008943%	0.009375%	0.008943%	0.008943%
Proportionate share of the net pension liability (asset)	$ 830	$ 1,065	$ (335)	$ 4	$ 1,088	$ 305	$ 149	$ 709	$ 728	$ 150
Covered-employee payroll	$ 1,854	$ 1,905	$ 1,505	$ 1,649	$ 1,612	$ 1,587	$ 1,620	$ 1,524	$ 1,514	$ 1,500
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.77%	55.91%	22.26%	0.24%	67.49%	19.22%	9.20%	46.52%	48.08%	10.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.70%	99.90%	86.40%	96.30%	98.20%	94.70%	90.70%	97.90%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability/asset	0.034192%	0.033252%	0.030232%	0.032677%	0.032360%	0.032268%	0.031994%	0.031774%	0.039668%	0.057564%
Proportionate share of the net pension liability (asset)	$ 391	$ 638	$ (5,239)	$ 903	$ (841)	$ (583)	$ (243)	$ 3,300	$ 4,120	$ 3,625
Covered-employee payroll	$ 7,317	$ 6,798	$ 5,131	$ 5,131	$ 5,256	$ 5,256	$ 5,256	$ 5,070	$ 4,884	$ 4,773
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-5.34%	-9.39%	102.10%	-17.60%	16.00%	11.09%	4.62%	65.09%	84.36%	75.95%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.20%	98.60%	113.20%	97.80%	102.20%	101.50%	100.70%	99.00%	110.50%	111.50%

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Contributions - Pension Plans (Unaudited)
For the Year Ended June 30:

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 227	$ 184	$ 228	$ 231	$ 226	$ 223	$ 232	$ 228	$ 263	$ 274
Contributions in relation to the contractually required contribution	227	184	228	231	226	223	232	228	263	274
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 1,854	$ 1,905	$ 1,505	$ 1,649	$ 1,612	$ 1,587	$ 1,620	$ 1,524	$ 1,514	$ 1,500
Contributions as a percentage of covered-employee payroll	12.24%	9.66%	15.15%	14.01%	14.02%	14.05%	14.32%	14.96%	17.37%	18.27%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 650	$ 577	$ 577	$ 489	$ 491	$ 598	$ 594	$ 648	$ 837	$ 781
Contributions in relation to the contractually required contribution	650	577	577	489	491	598	594	648	837	781
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 7,317	$ 6,798	$ 5,131	$ 5,131	$ 5,256	$ 5,256	$ 5,256	$ 5,070	$ 4,884	$ 4,773
Contributions as a percentage of covered-employee payroll	8.88%	8.49%	11.25%	9.53%	9.34%	11.38%	11.30%	12.78%	17.14%	16.36%

OTHER INFORMATION (UNAUDITED)

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)
For the Year Ended June 30, 2024

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget		$ 19,845,920
Add: Prior year's encumbrances		91,454
Original budget		19,937,374
Budget revisions		(1)
Final budget		$ 19,937,373

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget	$ 19,914,840	
Maximum allowed (4% of 2024-2025 budget)		$ 796,594
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 836,870	
Unassigned fund balance	5,410,933	
Total unrestricted fund balance	6,247,803	
Less:		
Appropriated fund balance	741,386	
Encumbrances included in assigned fund balance	95,484	
Total adjustments	$ 836,870	
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		$ 5,410,933
Actual percentage		27.17%

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Project Expenditures - Capital Projects Fund (Unaudited)
For the Year Ended June 30, 2024

			Capital Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Year's Expenditures	Current Year Expenditures	Total Expenditures	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total Financing	Fund Balance as of 6/30/2024
Capital Outlay Project 2023-2024	100,000	100,000	-	91,924	91,924	8,076	-	-	100,000	100,000	8,076
Capital Outlay Project 2022-2023	100,000	100,000	94,400	-	94,400	5,600	-	-	100,000	100,000	5,600
Capital Outlay Project 2021-2022	100,000	100,000	88,038	-	88,038	11,962	-	-	100,000	100,000	11,962
2023 Capital Improvement Project	15,500,000	15,500,000	-		-	15,500,000	-	-	2,400,000	2,400,000	2,400,000
Bus Purchases 2023	551,381	551,381	407,433	-	407,433	143,948	385,000	-	105,000	490,000	82,567
Bus Purchases 2024	330,000	330,000	-	367,615	367,615	(37,615)			70,000	70,000	(297,615)
Emergency Bus Lift	40,000	400,000	328,478	-	328,478	71,522	-	-	400,000	400,000	71,522
Poplar Ridge School 007-032	4,900,000	4,900,000	4,730,764	740,182	5,470,946	(570,946)	7,100,000	-	1,000,100	8,100,100	2,629,154
SMART Schools	203,243	725,623	582,891	(8,369)	574,522	151,101	-	574,282	-	574,282	(240)
BANs	-	-	122,436	-	122,436	(122,436)	(4,067,033)	-	-	(4,067,033)	(4,189,469)
	$ 21,824,624	$ 22,707,004	$ 6,354,440	$ 1,191,352	$ 7,545,792	$ 15,161,212	$ 3,417,967	$ 574,282	$ 4,275,100	$ 8,267,349	$ 721,557

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited)
June 30, 2024

Capital assets, net	$ 23,479,559
Plus:	
Debt refunding	4,266
Deduct:	
Bond anticipation notes payable	(1,071,381)
Short-term portion of bonds payable	(1,025,000)
Long-term portion of bonds payable	(6,940,332)
Lease liability	(166,677)
Accounts payable for capital purposes	(23,731)
Net investment in capital assets	$ 14,256,704

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*

October 15, 2024

To the Board of Education of the
Southern Cayuga 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 Southern Cayuga Central School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

(Continued)

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*
(Continued)

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the 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*.

District's Response to Finding
Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

SOUTHERN CAYUGA CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2024

Reference Number: 2024-001: Material Audit Adjustments

Condition/Criteria: The financial statements for the year ended June 30, 2024 required material adjustments in order to be fairly presented in accordance with generally accepted accounting principles. These adjustments included special aid fund adjustments of $20,976 to expenditures and liabilities, and capital projects fund adjustments of $23,731 to expenditures and liabilities and $55,000 to assets and revenues.

Cause: A breakdown of controls related to the year end financial reporting process led to various significant journal entries which needed to be recorded.

Effect: The District's accounting records did not accurately reflect the financial position of the District for the year ended June 30, 2024; therefore, significant journal entries were needed to correct the fund level statements.

Recommendation: We recommend that the District ensure that regular, timely reconciliations of financial information on an ongoing basis and at year-end be performed to ensure that amounts reported within the District's accounting system are correct.

Management Response: The District is aware of the findings and is working hard to ensure the numbers are correctly reflected this year and going forward.