

PRELIMINARY OFFICIAL STATEMENT

NEW & RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Timothy R. McGill Law Offices, Bond Counsel to the District, assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986 (the "Code"), interest on the Notes is excludable from gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not a specific preference item for purposes of Federal individual alternative minimum tax; however, interest on the Notes included in "adjusted financial statement income" of certain corporations is not excluded from the federal corporate alternative minimum tax. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. 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). See "Tax Exemption" herein for a discussion of certain Federal taxes applicable to owners of the Notes.

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

\$2,128,630

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT BROOME AND TIOGA COUNTIES, NEW YORK



GENERAL OBLIGATIONS

CUSIP BASE: 560415

\$2,128,630 Bond Anticipation Notes, 2024
(the "Notes")

Dated: September 26, 2024

Due: September 26, 2025

The Notes are general obligations of the Maine-Endwell Central School District, Broome and Tioga Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes are not subject to redemption prior to maturity.**

At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder(s) 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"). The District will act as Paying Agent for the Notes.

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 such bank(s) or trust company(ies) located and authorized to do business in the State of New York. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof as may be determined by such successful bidder. A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

Alternatively, if the Notes are issued as registered book-entry-only notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$8,630. If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of the Law Offices of Timothy R. McGill, Bond Counsel, Fairport, 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 September 26, 2024.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on September 12, 2024 by no later than 10:45 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.

August 28, 2024

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

**MAINE-ENDWELL CENTRAL SCHOOL DISTRICT
BROOME AND TIOGA COUNTIES, NEW YORK**

2024-2025 BOARD OF EDUCATION

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CORINNA EVANISH
School District Clerk

COUGHLIN & GERHART LLP
School District Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TIMOTHY R. MCGILL, ESQ.
Bond Counsel

No person has been authorized by Maine-Endwell 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 Maine-Endwell Central School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
OF THE
MAINE-ENDWELL CENTRAL SCHOOL DISTRICT
BROOME AND TIOGA COUNTIES, NEW YORK
RELATING TO
\$2,128,630 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the Maine-Endwell Central School District, Broome and Tioga Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$2,128,630 principal amount of Bond Anticipation Notes, 2024 (the "Notes").

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

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

NATURE OF 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, subject to applicable statutory limitations.

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

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

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

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

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

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

The Notes are dated September 26, 2024 and mature, without option of prior redemption, on September 26, 2025. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in denominations of \$5,000 each or multiples thereof, except for a necessary odd denomination which is or includes \$8,630, and at the option of the purchaser(s) either (i) registered in the name of the purchaser, in certificated form with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) as registered book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

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 various bond resolutions duly adopted by the Board of Education authorizing the issuance of bonds for the acquisition of buses.

<u>Purpose of Issue</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>Paydown</u>	<u>New Money</u>	<u>Notes to be Issued</u>
Purchase of Buses - 2019	6/6/2019	\$ 87,703	\$ 87,703	\$ -	\$ -
Purchase of Buses - 2020	6/25/2020	203,792	101,896	-	101,896
Purchase of Buses - 2021	6/10/2021	265,614	88,538	-	177,076
Purchase of Buses - 2022	6/9/2022	383,000	95,750	-	287,250
Purchase of Buses - 2023	5/18/2023	653,010	130,602	-	522,408
Purchase of Buses - 2024	5/21/2024	-	-	1,040,000	1,040,000
Totals:		\$ 1,593,119	\$ 504,489	\$ 1,040,000	\$ 2,128,630

The proceeds of the Notes, along with \$504,489 available District funds, will redeem and partially renew \$1,593,119 bond anticipation notes maturing on September 27, 2024 and provide \$1,040,000 new monies for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$8,630. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York in the geographical location known as the Southern Tier just north of the Pennsylvania border. The District encompasses an area of approximately 50 square miles. With over three-quarters of its valuation in the Town of Union, Broome and Tioga Counties, the District is seated in the unincorporated area of Endwell, 10 miles west of the City of Binghamton and approximately one hour south of Syracuse. The District is conveniently located within minutes of I-88, I-81, and New York State Rt. 17. The Town of Maine is a rural bedroom community encompassing 45.8 square miles. The Town of Nanticoke, located in Broome County, was formed in 1831 on the border of Broome and Tioga Counties. The Town of Newark Valley is located in Tioga County northwest of the City of Binghamton. The Town of Owego is the largest town in Tioga County. Lockheed Martin operates a manufacturing facility in the Town of Owego and is the Town's largest employer.

Source: District officials.

District Population

The current estimated population of the District is 14,537. (Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates)

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Maine	\$ 22,220	\$ 29,738	\$ 33,653	\$ 54,306	\$ 69,081	\$ 81,313
Nanticoke	20,624	29,493	36,009	53,269	62,344	73,934
Union	25,732	30,896	34,269	57,913	69,039	74,101
Newark Valley	21,623	30,702	33,826	54,148	88,728	101,184
Owego	29,083	37,993	43,385	67,301	92,440	105,200
Counties of:						
Broome	24,314	29,721	33,674	57,545	69,596	78,605
Tioga	24,596	32,298	37,691	59,907	75,656	83,276
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

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

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

Banking Facilities

Commercial banking services located within the School District are provided by the following banks:

JPMorgan Chase Bank, N.A.
Manufacturers & Traders Trust Company
KeyBank, N.A.

Education

The State University of New York at Binghamton, which began in 1946 as Triple Cities College of Syracuse University, joined the State University System in 1950 as Harpur College and was designated a State University Center in 1965. SUNY-Binghamton has an enrollment of over 13,000 undergraduates and 2,000 graduate students. It has recently retained a Dean of Medicine to establish a school of medicine.

Broome Community College is a two-year college sponsored by the County of Broome and supervised by the State University of New York. The College offers courses leading to an associate degree in 52 fields of study under six general categories: business, computer science, health science, liberal arts, engineering and engineering technology, as well as special career programs.

Transportation

Major highways in and in close proximity of the School District include Interstate 81, the primary north-south route extending from Tennessee to Canada. The Southern Tier Expressway runs east-west and connects with Interstate 87 just north of New York City and with Interstate 90 near Erie, Pennsylvania. Interstate 88 provides direct access to Albany and principal New England cities.

Air transportation through Broome and Tioga Counties Airport is provided by various national, commuter and regional airlines and includes US Airways, Colgar, Mall, Alleghany - Commuter, Altair, Air Vector and Air North Airlines. Emery Air Freight and Federal Express also operate from the Airport. The School District is also served by the Tri-Cities Airport, which is located within the Village of Endicott.

Larger Employers

Many residents of the City find employment with major employers located within Broome County and surrounding areas.

Some of the major employers located within the Binghamton, NY Metropolitan Statistical Area (MSA):

<u>Company</u>	<u>Location</u>	<u>Employees</u>	<u>Type</u>
Binghamton University	Vestal	5,943	Education
United Health Services	Binghamton	5,428	Healthcare
Lockheed Martin	Owego	2,700	Systems Integration
Broome County Government	Binghamton	2,500	Government
Guthrie Lourdes Hospital	Binghamton	2,311	Healthcare
New York State Government	Binghamton	2,034	Government
Broome Developmental Center	Binghamton	1,400	Human Services
Amphenol Aerospace	Sidney	1,400	Electronic Devices
BAE Systems	Endicott	1,300	Mission Systems
Chobani	Norwich	1,300	Food Products
Raymond Corp.	Greene	1,250	Electric Products
I3 Electronics	Endicott	1,100	Electronics
Broome-Tioga BOCES	Binghamton	1,049	Education
NBT Bank	Binghamton	1,039	Financial Institution
IBM Corp.	Endicott	1,100	Technology
Weis Markets	Binghamton	1,000	Food Products
MeadWestvaco	Sidney	900	Office Products
Felchar Manufacturing Corp.	Binghamton	800	Electronics
NYSEG	Binghamton	800	Electricity & Natural Gas
Wegmans	Johnson City	774	Food Products
Nationwide Credit Inc.	Vestal	700	Asset Recovery
United Methodist Homes	Binghamton	621	Senior Living
Matrix Integrated Facility Management	Johnson City	600	Facility Management
Frito-Lay	Kirkwood	540	Food Distribution
Spectrum	Vestal	500	Communications

Source: Broome County Comprehensive Plan - Building our Future

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The information set forth below with respect to the Counties of Broome and Tioga is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties are necessarily representative of the School District, or vice versa.

	<u>Annual Average</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Broome County	5.5%	4.8%	4.5%	8.3%	5.3%	3.9%	3.9%
Tioga County	5.1	4.3	4.0	7.5	4.5	3.3	3.4
New York State	4.6	4.1	3.9	9.8	7.1	4.3	4.2

	<u>2024 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>July</u>
Broome County	5.0%	4.9%	4.5%	3.9%	4.1%	4.1%	4.6%
Tioga County	4.3	4.4	4.1	3.4	3.3	3.3	3.8
New York State	4.3	4.5	4.2	3.9	4.2	4.3	4.9

Note: Unemployment rates for August 2024 are not available as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures and Recent Budget Votes

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2023-2024 fiscal year was adopted by the qualified voters on May 16, 2023 by a vote of 459 to 125. The District's budget for the 2023-2024 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for no tax levy increase which was below the District's tax levy limit.

The budget for the 2024-2025 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 381 to 138. The District's budget for the 2024-2025 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a tax levy increase of 2.96% which was equal to the District's tax levy limit.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, (2) Time Deposit Accounts in a bank or trust company authorized to do business in New York State, (3) Obligations of New York State, (4) Obligations of the United States Government, (5) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

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 2024-2025 fiscal year, approximately 58.6% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 and 2021 to 2023 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the

2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017 and the State's 2023-24 Budget which was not adopted until May 3, 2023. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

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

Since March 2020, the State has been awarded over \$14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately \$4,774,709 in ARP funds and \$2,444,186 in CRRSA funds. The District has received all ARP funds and CRRSA funds.

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2024-2025 preliminary building aid ratios, the District expects to receive State building aid of approximately 93.3% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

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

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

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

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget includes \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provides \$134 million to increase access to free school meals. An additional \$20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

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.

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State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for the fiscal years 2018-2019 through and including 2022-2023, unaudited figures for the 2023-2024 fiscal year and budgeted figures for the 2023-2024 and 2024-2025 fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2018-2019	\$ 52,688,393	\$ 27,316,497	51.85%
2019-2020	52,949,434	27,087,965	51.16
2020-2021	53,113,953	27,164,453	51.14
2021-2022	58,542,732	30,194,817	51.58
2022-2023	66,638,866	35,008,423	52.53
2023-2024 (Budgeted)	68,620,535 ⁽¹⁾	40,391,601	58.86
2023-2024 (Unaudited)	71,099,912	42,428,924	59.67
2024-2025 (Budgeted)	72,635,076 ⁽²⁾	42,558,906	58.59

⁽¹⁾ Includes \$1,650,000 appropriated fund balance.

⁽²⁾ Includes \$2,500,000 appropriated fund balance and \$227,055 interfund transfers.

Source: Audited financial statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal years, unaudited financial statements for the 2023-2024 fiscal year and the adopted budgets for the 2023-2024 and 2024-2025 fiscal years of the District. This table is not audited.

District Facilities

The District operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built / Additions</u>
Homer Brink Elementary	K-5	750	1951, 2000, 2008
Maine Memorial Elementary	K-5	550	1960, ('65), 2001, 2008
Maine-Endwell Middle School	6-8	1,000	1965, 2001, 2008, 2010
Maine-Endwell Senior High School	9-12	1,200	1961, ('68), 2000, 2001, 2008, 2010

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2019-20	2,502	2024-25	2,525
2020-21	2,476	2025-26	2,525
2021-22	2,538	2026-27	2,525
2022-23	2,530	2027-28	2,525
2023-24	2,528	2028-29	2,550

Source: District officials.

District Employees

The District employs a total of approximately 325 full-time and 80 part-time employees. Employees are represented by various unions as follows:

<u>Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
231	Maine-Endwell Teachers' Association	June 30, 2025
23	Maine-Endwell School Lunch	June 30, 2025
108	Clerical Association – NYSUT	June 30, 2025
15	Maine-Endwell Administrators	June 30, 2025
44	Maine-Endwell Transportation Unit	June 30, 2025
26	Maine-Endwell Custodial & Maintenance Association	June 30, 2025

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the School 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 System 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 vest after ten years of credited service. 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. The Retirement Systems are non-contributory with respect to members working ten or more years. All members (other than those in Tier V and VI, as described below) 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 law became effective for new ERS and TRS hires on January 1, 2010. 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.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2023-2024 and the 2024-2025 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2018-2019	\$ 468,284	\$ 1,414,176
2019-2020	554,802	1,334,800
2020-2021	537,468	1,332,429
2021-2022	415,363	1,444,413
2022-2023	606,956	1,637,983
2023-2024 (Budgeted)	588,000	1,947,752
2023-2024 (Unaudited)	566,621	1,807,915
2024-2025 (Budgeted)	749,000	2,139,500

Note: 2023-2024 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

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 School District offered early retirement incentives as follows:

<u>Fiscal Year</u>	<u>Staff Participants</u>	<u>Cost of Incentives</u>	<u>Expected Savings Annually</u>
2020-2021	11	\$ 119,000	\$ 90,000
2021-2022	6	96,000	82,000
2022-2023	8	118,500	91,500

The District currently does not offer any early retirement incentive above the normal contractual incentive programs for its employees.

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

A chart of average ERS and TRS rates as a percent of payroll (2020-2021 to 2024-2025) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	14.6%	9.53%
2021-2022	16.2	9.80
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11

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

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

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

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

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

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established and funded the TRS Sub-reserve for \$300,000 in June 2019. As of June 30, 2023, the District’s TRS reserve was \$1,013,677. As of June 30, 2024, the District’s TRS reserve is anticipated to be \$1,748,579.

Other Post-Employment Benefits

Healthcare Benefits. It should 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 District’s to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

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

The District contracted with Insero & Co, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2022 and 2023. The following outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

	Balance beginning at:	July 1, 2021	July 1, 2022
		\$ 103,272,234	\$ 96,243,762
<u>Changes for the year:</u>			
Service cost		3,781,914	3,187,897
Interest		2,322,351	2,086,508
Differences between expected and actual experience		-	5,929,065
Changes of Benefits Terms		(10,325,180)	-
Changes in assumptions or other inputs		1,133,177	(8,558,289)
Benefit payments		(3,940,734)	(3,862,653)
Net Changes		<u>\$ (7,028,472)</u>	<u>\$ (1,217,472)</u>
	Balance ending at:	June 30, 2022	June 30, 2023
		<u>\$ 96,243,762</u>	<u>\$ 95,026,290</u>

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and is attached hereto as "APPENDIX – E". The audit report that covers the period ending June 30, 2024 is expected to be available on or about September 1, 2024. Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

Insero & Co., the independent auditor for the District, 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. Insero & Co. also has not performed any procedures relating to this Official Statement.

Unaudited Results for Fiscal Year Ending June 30, 2024

The District expects to conclude the fiscal year ending June 30, 2024 with an unassigned fund balance of approximately \$2,979,792.

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

Projected Revenues:	\$ 71,099,912
Projected Expenditures:	<u>64,935,584</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 6,164,328</u>
Total General Fund Balance at June 30, 2023:	\$ 17,467,849
Total Projected General Fund Balance at June 30, 2024:	\$ 23,632,177

Note: 2023-2024 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

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 has not released an audit of the District within the last five years. There are currently no pending audits of the District by the State Comptroller's office.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	6.7
2022	No Designation	10.0
2021	No Designation	23.3
2020	No Designation	13.3
2019	No Designation	10.0

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

Other Information

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

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

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

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

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

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Maine	\$ 138,760,223	\$ 138,731,441	\$ 138,982,792	\$ 139,688,716	\$ 148,514,918
Nanticoke	1,408,444	1,407,314	1,405,866	1,405,853	1,374,315
Union	25,546,384	25,376,032	25,450,694	25,533,112	25,903,939
Newark Valley	3,348,590	3,347,306	3,352,022	3,357,168	3,439,597
Owego	7,525,584	7,569,945	7,566,927	7,753,575	7,739,683
Total Assessed Values	<u>\$ 176,589,225</u>	<u>\$ 176,432,038</u>	<u>\$ 176,758,301</u>	<u>\$ 177,738,424</u>	<u>\$ 186,972,452</u>
State Equalization Rates					
Towns of:					
Maine	60.00%	58.00%	53.00%	49.00%	45.00%
Nanticoke	55.00%	54.00%	47.20%	41.00%	40.60%
Union	4.11%	4.02%	3.61%	3.46%	3.14%
Newark Valley	66.00%	66.00%	60.00%	49.00%	47.00%
Owego	68.00%	68.00%	62.00%	54.00%	53.50%
Total Taxable Full Valuation	<u>\$ 871,535,023</u>	<u>\$ 889,246,802</u>	<u>\$ 988,007,011</u>	<u>\$ 1,047,668,971</u>	<u>\$ 1,180,169,362</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Maine	\$ 47.51	\$ 48.92	\$ 48.93	\$ 49.91	\$ 49.68
Nanticoke	51.83	52.54	54.94	59.65	55.06
Union	693.86	706.04	718.61	707.06	712.15
Newark Valley	43.19	42.99	43.22	49.91	47.56
Owego	41.92	41.72	41.83	45.29	41.78

Source: District officials.

Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 24,848,513	\$ 25,233,600	\$ 25,624,721	\$ 25,624,721	\$ 26,384,394
Amount Uncollected ⁽¹⁾	968,062	917,198	897,754	982,554	N/A
% Uncollected	3.90%	3.63%	3.50%	3.83%	N/A

⁽¹⁾ The District is reimbursed by the Counties for all unpaid taxes. See "Tax Collection Procedure" herein.

Source: District officials.

Tax Collection Procedure

Tax payments are due September 6th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 5th to November 4th and a 3% penalty from November 5th to November 15th. On or about November 15th, uncollected taxes are returnable to the Counties 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% tax collection annually. Taxes unpaid after November 15th are relieved, at an additional 7% penalty, with the Town and County taxes which are due on January 1st.

Ten Larger Taxpayers – 2023 Assessment Roll for 2023-2024 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$ 28,032,319
Visions Federal Credit Union	Commercial	11,806,358
Inergy Pipeline East LLC	Commercial	3,600,204
Fishs Eddy IV, LLC	Commercial	3,386,705
Broome County Department of Aviation	Public Airport	3,321,392
Squire Colony, LLC	Commercial	3,236,994
Binghamton Country Club	Commercial	2,832,370
Rocon Realty Co LLC	Residential	2,471,098
Amphenol Interconnect	Industrial	2,426,590
415 Hooper Road Assoc	Medical	2,300,578

The ten larger taxpayers listed above have a total taxable full valuation of \$63,414,608 which represents approximately 6.1% of the School District's 2023-2024 tax base.

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

Source: District Tax Rolls.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for the fiscal years 2018-2019 through and including 2022-2023, unaudited figures for the 2023-2024 fiscal year and budgeted figures for the 2023-2024 and 2024-2025 fiscal years comprised of Real Property Tax Revenues and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes and Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2018-2019	\$ 52,688,393	\$ 24,073,632	45.69%
2019-2020	52,949,434	24,600,934	46.46
2020-2021	53,113,953	25,052,196	47.17
2021-2022	58,542,732	25,460,900	43.49
2022-2023	66,638,866	25,830,428	38.76
2023-2024 (Budgeted)	68,620,535 ⁽¹⁾	25,831,934	37.64
2023-2024 (Unaudited)	71,099,912	25,806,241	36.29
2024-2025 (Budgeted)	72,635,076 ⁽²⁾	26,436,115	36.40

⁽¹⁾ Includes \$1,650,000 appropriated fund balance.

⁽²⁾ Includes \$2,500,000 appropriated fund balance and \$227,055 interfund transfers.

Note: 2023-2024 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: Audited financial statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal years, unaudited financial statements for the 2023-2024 fiscal year and the adopted budgets for the 2023-2024 and 2024-2025 fiscal years of the District. This table is not audited.

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STAR – School Tax Exemption

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

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

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

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

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District 2024-2025 tax roll:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Maine	\$ 41,160	\$ 14,700	4/9/2024
Nanticoke	34,440	12,830	4/9/2024
Union	2,910	1,040	4/9/2024
Newark Valley	43,470	16,020	4/9/2024
Owego	45,360	16,550	4/9/2024

\$3,223,490 of the District’s \$25,624,721 school tax levy for the 2023-24 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2024.

Approximately \$3,200,000 of the District’s \$26,384,394 school tax levy for the 2024-2025 fiscal year expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State 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.

Total assessed valuation of the School District is estimated to be categorized as follows: Agricultural-2%, Residential-81%, Commercial-12% and Industrial-5%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the School District is approximately \$4,872 including State, County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

See “THE SCHOOL DISTRICT – Budgetary Procedures and Recent Budget Votes” herein for additional information regarding the District’s Tax Levy.

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STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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 utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF THE OBLIGATION," 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.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See "TAX LEVY LIMITATION LAW" herein.

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.

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

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

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

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

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

The District complied 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.

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein, and “Details of Outstanding Indebtedness” herein).

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” and “TAX LEVY LIMITATION LAW” herein.

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 33,585,000	\$ 28,370,000	\$ 34,525,000	\$ 28,515,000	\$ 22,150,000
Bond Anticipation Notes	1,454,530	3,487,680	1,440,581	1,499,644	1,593,119
Revenue/Tax Anticipation Notes	<u>0</u>	<u>0</u>	<u>8,000,000</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 35,039,530</u>	<u>\$ 31,857,680</u>	<u>\$ 43,965,581</u>	<u>\$ 30,014,644</u>	<u>\$ 23,743,119</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 28, 2024:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2037	\$ 22,150,000
<u>Bond Anticipation Notes</u>		
Purchase of Buses	September 27, 2024	\$ 1,593,119 ⁽¹⁾
Capital Project	July 31, 2025	<u>20,000,000</u> ⁽²⁾
Total Indebtedness		<u>\$ 43,743,119</u>

(1) To be redeemed and partially renewed with the proceeds of the Notes and \$504,489 available District funds.
 (2) To be redeemed with proceeds of a future bond anticipation note issue along with available funds of the District.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 28, 2024:

5 Year Average Full Valuation of Taxable Real Property	\$ 1,180,169,362
Debt Limit 10% thereof	118,016,936

Inclusions:

Bonds.....	\$ 22,150,000	
Bond Anticipation Notes – Buses.....	1,593,119	
Bond Anticipation Notes – Capital Project:.....	<u>20,000,000</u>	
Total Inclusions prior to issuance of the Notes	<u>43,743,119</u>	
Less: BANs being redeemed from appropriations	504,489	
Add: New money proceeds of the Notes	<u>1,040,000</u>	
Total Net Inclusions after issuance of the Notes		\$ 44,278,630

Exclusions:

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

Total Net Indebtedness	\$ <u>44,278,630</u>
Net Debt-Contracting Margin	\$ <u>73,738,306</u>

The percent of debt contracting power exhausted is 37.52%

⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2024-2025 Building Aid Ratios, the School District anticipates State Building aid of 93.3% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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

The above Debt Statement Summary does not include \$5,219,969 outstanding principal balance of an energy performance contract, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding principal balance of such obligations.

Bonded Debt Service

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

Cash Flow Borrowings

Outside of the issuance of the \$8 million revenue anticipation notes issued on August 11, 2020 the District has not issued any other revenue or tax anticipation notes in the past five years.

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Lease Purchase Obligations

On July 23, 2020, the District entered into an energy performance contract in the amount of \$5,961,284 with an annual interest rate of 2.27%. The District's remaining scheduled payments of principal and interest are as follows:

Fiscal Year Ending June 30th	Principal Due July 15th	Interest Due July 15th	Total Principal and Interest
2025	\$ 383,326	\$ 118,493	\$ 501,819
2026	392,027	109,792	501,819
2027-2036	4,444,615	573,578	5,018,193
Total	\$ 5,219,969	\$ 801,863	\$ 6,021,831

Source: District officials. Table itself is not audited.

Capital Project Plans

Buses

The District annually issues bond anticipation notes for the purchase of buses. The proceeds of the Notes, along with \$504,489 available District funds, will redeem and partially renew \$1,593,119 bond anticipation notes maturing on September 27, 2024 and provide \$1,040,000 of new money for the aforementioned purpose.

Capital Projects

On December 20, 2022, District voters approved a \$64,331,717 capital improvement project to be funded with \$3,000,000 capital reserve funds and issuance of a combination of bond anticipation notes and serial bonds. The project will focus on enhancements to buildings' health and safety infrastructure, additions to academic classrooms and space, and maintaining and modernization of existing facilities. On December 20, 2023, the District issued \$5,000,000 bond anticipation notes as the first borrowing for the project which matured on August 1, 2024. On July 31, 2024, the District issued \$20,000,000 bond anticipation notes, which along with \$575,000 available District funds, redeemed and partially renewed \$5,000,000 bond anticipation notes and provided \$15,575,000 of new money for the project. Additional borrowings for this project will occur in stages to coincide with State Education Department approval and construction cash flow needs.

On November 29, 2023, District voters approved a capital project referendum for the Broome, Tioga and Delaware Counties BOCES (the "BOCES") at a maximum cost of \$46,000,000. It is anticipated that the BOCES will finance \$40,000,000 through the Dormitory Authority of the State of New York. Construction for the project is expected to commence in summer 2025 upon approval from the State Education Department. The District's share of the project is approximately \$3,500,000. Debt service for the project is expected to commence during the 2025-2026 fiscal year.

Other than noted above, there are presently no other capital projects authorized and unissued by the School District.

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Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Broome	4/9/2024 ⁽³⁾	\$ 128,880,601	\$ 4,667,503	\$ 124,213,098	8.38%	\$ 10,409,058
Tioga	12/31/2022 ⁽⁴⁾	5,905,000	- ⁽⁵⁾	5,905,000	0.57%	33,659
Town of:						
Maine	12/31/2022 ⁽⁴⁾	-	- ⁽⁵⁾	-	84.34%	-
Nanticoke	12/31/2022 ⁽⁴⁾	73,011	- ⁽⁵⁾	73,011	3.30%	2,409
Union	2/2/2024 ⁽³⁾	13,575,281	1,318,200	12,257,081	22.46%	2,752,940
Newark Valley	12/31/2022 ⁽⁴⁾	-	- ⁽⁵⁾	-	2.86%	-
Owego	12/31/2022 ⁽⁴⁾	10,878,000	- ⁽⁵⁾	10,878,000	0.87%	94,639
Fire District:						
Endwell	6/29/2023 ⁽³⁾	1,785,000	-	1,785,000	100.00%	<u>1,785,000</u>
					Total:	<u>\$ 15,077,704</u>

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

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of August 28, 2024:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 44,278,630	\$ 3,045.93	3.75%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	59,356,334	4,083.12	5.03

- ^(a) The estimated population of the District is 14,537. (See "THE SCHOOL DISTRICT - Population" herein.)
- ^(b) The District's full value of taxable real estate for the 2024-2025 School District tax roll is \$1,180,169,362. (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 \$15,077,704. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

Cybersecurity

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

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes and Notes be and remain excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. The District has covenanted to comply with such requirements. Failure by the District to comply with such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactive to the date of initial issuance of the Notes. In the opinion of Bond Counsel, to be delivered at the time of initial issuance of the Notes, under existing statute, regulations and court decisions, interest on the Notes is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code and will continue to be so excluded if the District complies with all such requirements; and under the Code, interest on the Notes is not a specific item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the Notes.

Among other things, the Code requires that, under certain circumstances, the yield on investments acquired with the proceeds of debt obligations be restricted and that an amount equal to the net arbitrage earnings from the investment of the proceeds thereof be paid to the Federal Government. If, in those circumstances, the School District intentionally failed to restrict the yield on such investments, or failed to make the required payments to the Federal Government within the periods and in the manner specified by the Code with regard to both the Notes and any obligations refunded with proceeds of the Notes, or failed to comply with certain other provisions of the Code, interest on the Notes would be subject to the Federal Government on a timely basis, such noncompliance was not due to willful disregard and relief was sought from, and granted by, the Internal Revenue Service. The School District will covenant in its arbitrage and closing certificate with respect to the Notes that it will take all actions on its part necessary under the Code to cause interest on the Notes not be includable in the gross income of the owners thereof for Federal income tax purposes, including compliance with the requirements set forth above, to the extent the same are applicable, and refrain from taking any action which would cause interest on the Notes to be includable in the gross income of the owners thereof for Federal income tax purposes,

The opinion of Bond Counsel described herein with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable Federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition to the matters referred to in the preceding paragraph, prospective purchasers of the Notes should be aware of other federal income tax consequences of acquiring the Notes, including, without limitation, that (i) with respect to certain insurance companies, the Code reduces the deduction for loss reserves by a portion of the sum of certain items, including interest on the Notes, (ii) interest on the Notes earned by certain foreign corporations doing business in the United States may be subject to a branch profits tax imposed by the Code, (iii) passive investment income, including interest on the Notes, may be subject to federal income taxation under the Code for certain S corporations that have certain earnings and profits, and (iv) the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Notes. In addition, the Code, subject to the limited exception hereinafter described, denies the interest deduction for indebtedness, incurred or continued by banks, thrift institutions and certain other financial institutions to purchase or carry tax-exempt obligations, such as the Notes. The denial to such financial institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such financial institutions after August 7, 1986, for taxable years ending after December 31, 1986. The Code, however, contains a limited exception to this provision which permits a deduction for interest for such financial institutions to the extent that they purchase, directly or in the secondary market, obligations of certain governmental units that together with all subordinate or "on behalf of" entities thereof (and other governmental units with respect to which they are an "behalf of" entity) do not reasonably expect to issue in the aggregate more than \$10,000,000 of tax-exempt obligations [other than certain current refunding obligations and private activity bonds except for qualified 501(c)(3) bonds] in a calendar year and that designate such obligations as qualifying for such exception, unless such obligations are deemed so designated pursuant to the Code. In the record of proceedings providing for the issuance of the Notes, the District has (i) represented that there is no other governmental unit with respect to which the District would be a subordinate or "on behalf of" entity, (ii) represents that it reasonably expects that it, together with any subordinate or "on behalf of" entity thereof, will issue in the aggregate more than \$10,000,000 of such tax-exempt obligations during the relevant calendar year, and (iii) does NOT designate the Notes as qualifying for such exception, and the Notes are not deemed so designated pursuant to the Code for such purpose.

The Code has been continuously subject to legislative modifications, amendments and revisions and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. Future or pending proposals, if enacted into law, regulations, rulings or court decisions may cause interest on the Bonds to be subject, directly or indirectly to federal income taxation or to State or local taxation, or may otherwise prevent beneficial owners from realizing the full benefit of the tax status of such interest. No representation is made as to the likelihood of such proposals being enacted in the current or similar form, or if enacted, the effective date of any such legislation and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds or the tax consequences of ownership on the Bonds. Prospective purchasers should consult their tax advisors regarding any pending or proposed federal or State tax legislations, regulations, rulings or litigation.

For example, various proposals have been made in Congress and by the President (the “Proposed Legislation”) which, if enacted, would subject interest on the bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Bonds to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of thresholds specified in the Proposed Legislation. It is unclear if the Proposed Legislation would be enacted, whether in its current or amended form, or if other legislation that would subject interest on the Bonds to a tax or cause interest on the Bonds to be included in the computation of a tax, will be introduced or enacted. Prospective purchasers should consult their tax advisors as to the effect of the Proposed Legislation, if enacted in its current form or as it may be amended, or such other legislation on their individual situations.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The validity of the Notes will be covered by the unqualified legal opinion of Timothy R. McGill, Esq., Fairport, New York, Bond Counsel to the District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as “APPENDIX – D”.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. At this time, there are four (4) pending lawsuits against the District pursuant to the New York Child Victims Act. The District does not yet have sufficient information to predict any potential damages, or whether any damages that may ultimately be awarded will be covered, in whole or in part, by insurance. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance History

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A" with a stable outlook to the District's outstanding bonds. This 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 this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

The Law Offices of Timothy R. McGill, Fairport, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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

The District's contact information is as follows: Mr. Jeffrey A. L'Amoreaux, Assistant Superintendent for Business, Administration Offices, 712 Farm-to-Market Road, Endwell, New York 13760-1199 Phone: (607) 754-1400, Fax: (607) 754-1650, Email: jlamoreaux@me.stier.org.

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

Dated: August 28, 2024

MELINDA SPOONER
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Unrestricted Cash	\$ 2,305,170	\$ 1,562,217	\$ 3,241,036	\$ 2,465,819	\$ 3,201,067
Restricted Cash & Investments	7,313,206	4,133,840	4,255,182	7,236,714	11,906,302
State and Federal Aid Receivable	1,112,586	1,215,221	1,463,599	2,245,148	1,520,958
Due from Other Funds	370,187	1,574,998	9,318,308	1,945,794	2,933,061
Due from Other Governments	1,557,497	1,511,979	1,524,358	1,483,589	1,827,850
Due from Fiduciary Funds	9,033	-	-	-	-
Other Receivables (Net)	18,443	100,253	81,737	152,725	106,803
Prepaid Items	-	5,000	-	366,698	356,293
TOTAL ASSETS	<u>\$ 12,686,122</u>	<u>\$ 10,103,508</u>	<u>\$ 19,884,220</u>	<u>\$ 15,896,487</u>	<u>\$ 21,852,334</u>
LIABILITIES					
Accounts Payable	\$ 757,638	\$ 1,010,559	\$ 1,084,080	\$ 1,187,924	\$ 1,137,483
Accrued Liabilities	291,231	137,851	508,455	329,934	229,862
Revenue Anticipation Notes Payable	-	-	8,000,000	-	-
Due to Other Funds	85,729	10,509	103,510	131,744	444,376
Due to Other Governments	14	-	103	20	21
Due to Teachers' Retirement System	1,631,982	1,412,554	1,446,503	1,672,716	1,960,986
Due to Employees' Retirement System	140,649	152,487	155,183	103,996	152,626
Unearned Revenue	-	-	69,818	-	-
TOTAL LIABILITIES	<u>\$ 2,907,243</u>	<u>\$ 2,723,960</u>	<u>\$ 11,367,652</u>	<u>\$ 3,426,334</u>	<u>\$ 3,925,354</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	460,507	460,101	461,895	459,131	459,131
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 460,507</u>	<u>\$ 460,101</u>	<u>\$ 461,895</u>	<u>\$ 459,131</u>	<u>\$ 459,131</u>
FUND BALANCES					
Nonspendable	\$ -	\$ 5,000	\$ -	\$ 366,698	\$ 356,293
Restricted	7,227,477	4,133,840	4,255,182	7,236,714	11,906,302
Assigned	310,867	333,055	1,751,872	2,075,606	2,521,085
Unassigned	1,780,028	2,447,552	2,047,619	2,332,004	2,684,169
TOTAL FUND EQUITY	<u>\$ 9,318,372</u>	<u>\$ 6,919,447</u>	<u>\$ 8,054,673</u>	<u>\$ 12,011,022</u>	<u>\$ 17,467,849</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,686,122</u>	<u>\$ 10,103,508</u>	<u>\$ 19,884,220</u>	<u>\$ 15,896,487</u>	<u>\$ 21,852,334</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Real Property Taxes	\$ 19,669,054	\$ 20,352,431	\$ 20,993,471	\$ 21,603,344	\$ 22,131,831
Other Tax Items	4,404,578	4,248,503	4,058,725	3,857,556	3,698,597
Charges for Services	197,303	175,396	144,916	223,546	292,625
Use of Money & Property	331,713	92,505	4,146	8,747	458,184
Sale of Property and Compensation for Loss	22,732	10,564	32,232	86,363	63,315
Miscellaneous	625,709	846,009	560,603	2,014,990	4,887,037
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	27,316,497	27,087,965	27,164,453	30,194,817	35,008,423
Revenues from Federal Sources	111,990	116,714	98,503	463,369	98,854
Total Revenues	<u>\$ 52,679,576</u>	<u>\$ 52,930,087</u>	<u>\$ 53,057,049</u>	<u>\$ 58,452,732</u>	<u>\$ 66,638,866</u>
Other Sources:					
Premium on Obligations	-	-	56,904	-	-
Interfund Transfers	8,817	19,347	-	-	-
Total Revenues and Other Sources	<u>\$ 52,688,393</u>	<u>\$ 52,949,434</u>	<u>\$ 53,113,953</u>	<u>\$ 58,452,732</u>	<u>\$ 66,638,866</u>
EXPENDITURES					
General Support	\$ 4,607,955	\$ 4,654,199	\$ 4,784,014	\$ 5,121,703	\$ 6,032,500
Instruction	23,910,119	25,165,076	23,864,477	25,830,965	27,973,153
Pupil Transportation	1,750,895	1,625,856	1,657,119	1,925,581	2,354,016
Community Services	-	-	-	-	-
Employee Benefits	14,208,529	14,277,216	14,521,442	12,454,175	12,273,482
Debt Service	7,753,804	7,064,130	7,018,994	8,563,325	8,854,675
Total Expenditures	<u>\$ 52,231,302</u>	<u>\$ 52,786,477</u>	<u>\$ 51,846,046</u>	<u>\$ 53,895,749</u>	<u>\$ 57,487,826</u>
Other Uses:					
Interfund Transfers	160,898	2,561,882	132,681	600,634	3,694,213
Total Expenditures and Other Uses	<u>\$ 52,392,200</u>	<u>\$ 55,348,359</u>	<u>\$ 51,978,727</u>	<u>\$ 54,496,383</u>	<u>\$ 61,182,039</u>
Excess (Deficit) Revenues Over Expenditures	<u>296,193</u>	<u>(2,398,925)</u>	<u>1,135,226</u>	<u>3,956,349</u>	<u>5,456,827</u>
FUND BALANCE					
Fund Balance - Beginning of Year	9,022,179	9,318,372	6,919,447	8,054,673	12,011,022
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 9,318,372</u>	<u>\$ 6,919,447</u>	<u>\$ 8,054,673</u>	<u>\$ 12,011,022</u>	<u>\$ 17,467,849</u>

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:	2023			2024	2025
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 25,624,721	\$ 22,139,051	\$ 22,131,831	\$ 25,624,721	\$ 26,384,394
Other Tax Items	226,555	3,712,225	3,698,597	207,213	51,721
Charges for Services	155,000	155,000	292,625	153,000	143,000
Use of Money & Property	-	-	458,184	-	-
Sale of Property and Compensation for Loss	-	12,905	63,315	-	-
Miscellaneous	480,000	484,156	4,887,037	498,000	693,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	33,434,592	33,434,592	35,008,423	40,391,601	42,558,906
Revenues from Federal Sources	103,000	103,000	98,854	96,000	77,000
Total Revenues	<u>\$ 60,023,868</u>	<u>\$ 60,040,929</u>	<u>\$ 66,638,866</u>	<u>\$ 66,970,535</u>	<u>\$ 69,908,021</u>
Other Sources:					
Designated Fund Balance and Encumbrances					
Carried over from prior year	575,606	575,606	-	-	-
Appropriated Fund Balance	1,500,000	4,500,000	-	1,650,000	2,500,000
Appropriated Reserves	-	207,245	-	-	-
Premiums on Obligations	-	-	-	-	-
Interfund Transfers	-	-	-	-	227,055
Total Revenues and Other Sources	<u>\$ 62,099,474</u>	<u>\$ 65,323,780</u>	<u>\$ 66,638,866</u>	<u>\$ 68,620,535</u>	<u>\$ 72,635,076</u>
EXPENDITURES					
General Support	\$ 6,274,352	\$ 7,102,387	\$ 6,032,500	\$ 6,860,922	\$ 7,437,463
Instruction	29,183,709	28,923,065	27,973,153	33,510,955	37,315,416
Pupil Transportation	2,001,473	2,406,403	2,354,016	2,502,332	2,584,433
Community Services	-	-	-	-	-
Employee Benefits	15,257,075	14,334,651	12,273,482	16,150,782	16,712,634
Debt Service	8,712,865	8,858,835	8,854,675	8,753,044	7,775,030
Total Expenditures	<u>\$ 61,429,474</u>	<u>\$ 61,625,341</u>	<u>\$ 57,487,826</u>	<u>\$ 67,778,035</u>	<u>\$ 71,824,976</u>
Other Uses:					
Interfund Transfers	670,000	3,698,439	3,694,213	842,500	810,100
Total Expenditures and Other Uses	<u>\$ 62,099,474</u>	<u>\$ 65,323,780</u>	<u>\$ 61,182,039</u>	<u>\$ 68,620,535</u>	<u>\$ 72,635,076</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>5,456,827</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	12,011,022	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,467,849</u>	<u>\$ -</u>	<u>\$ -</u>

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ 4,745,000	\$ 1,013,250	\$ 5,758,250
2026	2,135,000	814,950	2,949,950
2027	1,910,000	720,200	2,630,200
2028	1,685,000	630,700	2,315,700
2029	1,780,000	546,450	2,326,450
2030	1,865,000	457,450	2,322,450
2031	1,960,000	364,200	2,324,200
2032	1,505,000	289,800	1,794,800
2033	1,560,000	228,250	1,788,250
2034	905,000	150,250	1,055,250
2035	950,000	105,000	1,055,000
2036	1,000,000	57,500	1,057,500
2037	150,000	7,500	157,500
TOTALS	\$ 22,150,000	\$ 5,385,500	\$ 27,535,500

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015			2016		
	Various Capital Improvements			Refunding of 2010 Series Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 615,000	\$ 45,450	\$ 660,450	\$ 2,665,000	\$ 106,600	\$ 2,771,600
2026	600,000	27,000	627,000	-	-	-
2027	300,000	9,000	309,000	-	-	-
TOTALS	\$ 1,515,000	\$ 81,450	\$ 1,596,450	\$ 2,665,000	\$ 106,600	\$ 2,771,600

Fiscal Year Ending June 30th	2019A			2022A		
	DASNY Capital Improvements			DASNY Capital Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 880,000	\$ 389,200	\$ 1,269,200	\$ 585,000	\$ 472,000	\$ 1,057,000
2026	920,000	345,200	1,265,200	615,000	442,750	1,057,750
2027	965,000	299,200	1,264,200	645,000	412,000	1,057,000
2028	1,010,000	250,950	1,260,950	675,000	379,750	1,054,750
2029	1,070,000	200,450	1,270,450	710,000	346,000	1,056,000
2030	1,120,000	146,950	1,266,950	745,000	310,500	1,055,500
2031	1,180,000	90,950	1,270,950	780,000	273,250	1,053,250
2032	685,000	55,550	740,550	820,000	234,250	1,054,250
2033	700,000	35,000	735,000	860,000	193,250	1,053,250
2034	-	-	-	905,000	150,250	1,055,250
2035	-	-	-	950,000	105,000	1,055,000
2036	-	-	-	1,000,000	57,500	1,057,500
2037	-	-	-	150,000	7,500	157,500
TOTALS	\$ 8,530,000	\$ 1,813,450	\$ 10,343,450	\$ 9,440,000	\$ 3,384,000	\$ 12,824,000

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 "SEC") pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC 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 securities, 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 securities, or other material events affecting the tax status of the Note
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

With respect to event (d) the School 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 School 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 School 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 School 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 School 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 School District determines that any such other event is material with respect to the Note; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

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

The School District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Note within the meaning of the Rule. The School 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 School District’s obligations under its material event notices undertaking and any failure by the School 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 School 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 School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

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

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FORM OF BOND COUNSEL’S OPINION

LAW OFFICES

OF

*Timothy R. McGill*248 WILLOWBROOK OFFICE PARK
FAIRPORT, NEW YORK 14450Kristine M. Bryant
ParalegalTel: (585) 381-7470
Fax: (585) 381-7498

September 26, 2024

Board of Education of the
Maine-Endwell Central School District
Broome and Tioga Counties, New YorkRe: ***Maine-Endwell Central School District, Broome and Tioga Counties, New York***
\$2,128,630 Bond Anticipation Notes, 2024

Dear Board Members:

I have examined a record of proceedings relating to the issuance of \$2,128,630 aggregate principal amount of Bond Anticipation Notes, 2024 of the Maine-Endwell Central School District, a school district of the State of New York. The Notes are [registered to _____/ in book-entry-only form registered to “Cede & Co.”] are dated September 26, 2024 are numbered 2024-__, bear interest at the rate of _____ per centum (___%) per annum payable at maturity, mature September 26, 2025, and are issued pursuant to the Local Finance Law of the State of New York bond resolutions adopted June 25, 2020, June 10, 2021, June 9, 2022, May 18, 2023 and June 13, 2024. The propositions approving the matters set forth in the bond resolutions were approved by the voters of the School District on June 16, 2020, May 18, 2021, May 17, 2022, May 16, 2023 and May 21, 2024. The Notes are not subject to redemption prior to maturity. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors’ rights, the Notes are valid and legally binding obligations of the Waterloo Central School District, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the School District without limitation as to rate or amount.

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Notes is not a specific preference item for purposes of the Federal alternative minimum tax, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Notes. Further, in my opinion, interest on the Notes is exempt from New York State and New York City personal income taxes under existing statutes.

Board of Education of the
Maine-Endwell Central School District
September 26, 2024

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

Very truly yours,

Timothy R. McGill, Esq.

TRM:

**MAINE-ENDWELL CENTRAL SCHOOL DISTRICT
BROOME AND TIOGA COUNTIES, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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

Insero & Co., 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. Insero & Co also has not performed any procedures relating to this Official Statement.

**MAINE-ENDWELL
CENTRAL SCHOOL DISTRICT**

Endwell, New York

FINANCIAL REPORT

**For the Year Ended
June 30, 2023**



insero&co

Certified Public Accountants | Business Advisors

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Education
Maine-Endwell Central School District
Endwell, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maine-Endwell Central School District (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 School District, as of June 30, 2023, and the respective changes in financial position thereof 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison schedules; the Schedules of School District's Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the District's Total OPEB Liability and Related Ratios; and related notes 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 GAAS, 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 School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; Balance Sheet - Non-Major Governmental Funds; Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information); and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and 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 GAAS. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2023, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 8, 2023

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

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 School District's budget for the year; a Schedule of Changes in the School District's Total OPEB Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits; and information related to the School District's pension obligations.

District-Wide Financial Statements

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

The two District-wide financial statements report the School District's net position and how it has changed.

Net position (the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activities Funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

Figure 1

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Current Assets</i>	\$ 13,324,444	\$ 9,377,743	\$ 3,946,701
<i>Noncurrent Assets</i>	12,006,428	22,997,803	(10,991,375)
<i>Capital Assets, Net</i>	97,670,778	98,946,948	(1,276,170)
<i>Total Assets</i>	\$123,001,650	\$131,322,494	\$ (8,320,844)
<i>Total Deferred Outflows of Resources</i>	\$ 29,911,029	\$ 28,213,501	\$ 1,697,528
<i>Current Liabilities</i>	13,035,633	12,246,927	788,706
<i>Noncurrent Liabilities</i>	130,929,793	133,358,171	(2,428,378)
<i>Total Liabilities</i>	\$143,965,426	\$145,605,098	\$ (1,639,672)
<i>Total Deferred Inflows of Resources</i>	\$ 28,349,084	\$ 52,571,682	\$ (24,222,598)
<i>Net Investment in Capital Assets</i>	59,806,243	54,787,462	5,018,781
<i>Restricted</i>	15,004,627	8,450,518	6,554,109
<i>Unrestricted</i>	(94,212,701)	(101,878,765)	7,666,064
<i>Total Net (Deficit)</i>	\$ (19,401,831)	\$ (38,640,785)	\$ 19,238,954

Significant changes from prior year are as follows:

- Noncurrent assets reduced largely from the School District's proportionate share in the NYSLRS and NYSTRS net pension asset in the prior year converting to a net pension liability in the current year. This also caused an offset to the decrease in total liabilities, which was mostly due to a reduction in the School District's OPEB liability.
- Deferred inflows and outflows of resources fluctuated based on changes in actuarial assumptions associated with the NYSTRS and NYSLRS pension plans, as well as changes in the School District's OPEB plan.
- Total net (deficit) reduced largely from excess revenue over expense in the current year.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Our analysis in *Figure 2* considers the operations of the School District's activities.

Figure 2

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 762,562	\$ 453,421	\$ 309,141
<i>Operating Grants</i>	7,177,060	6,491,633	685,427
<i>Capital Grants</i>	76,440	162,001	(85,561)
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	22,131,831	21,603,344	528,487
<i>Real Property Tax Items</i>	3,698,597	3,857,556	(158,959)
<i>State Sources</i>	34,678,219	29,903,792	4,774,427
<i>Use of Money and Property</i>	486,807	8,832	477,975
<i>Other General Revenues</i>	4,973,504	2,178,615	2,794,889
Total Revenues	\$ 73,985,020	\$ 64,659,194	\$ 9,325,826
PROGRAM EXPENSES			
<i>General Support</i>	9,186,937	7,004,893	2,182,044
<i>Instruction</i>	39,070,122	24,403,564	14,666,558
<i>Pupil Transportation</i>	3,325,940	1,945,712	1,380,228
<i>School Lunch Program</i>	1,620,913	1,220,860	400,053
<i>Interest on Debt</i>	1,542,154	1,067,828	474,326
Total Expenses	\$ 54,746,066	\$ 35,642,857	\$ 19,103,209
CHANGE IN NET POSITION	\$ 19,238,954	\$ 29,016,337	\$ (9,777,383)

Significant changes from prior year are as follows:

- State sources changed largely due to \$3.5 million additional basic state aid and lottery aid.
- The School District received a payment of \$3.7 million from its exit from the BTD Health Insurance Consortium, causing a large increase in Other General Revenues
- Expenses increased largely due to greater pension and OPEB expense recorded in the current year in comparison to the prior year.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 3 shows the changes in total fund balances for the year for the School District's Governmental funds. The School District experienced an increase in total fund balance, which is primarily attributable to the conversion of short-term to long-term financing within the Capital Projects Fund - Construction.

Figure 3

<i>Governmental Fund Balances</i>	<i>2023</i>	<i>2022</i>	<i>Total Dollar Change</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 17,467,849	\$ 12,011,022	\$ 5,456,827
<i>Capital Projects Fund - Construction</i>	1,721,012	(854,052)	2,575,064
<i>Capital Projects Fund - Buses</i>	(1,499,644)	(1,440,581)	(59,063)
<i>Non-Major Funds</i>	1,411,104	1,272,712	138,392
<i>Total Governmental Funds</i>	\$ 19,100,321	\$ 10,989,101	\$ 8,111,220

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Superintendent approves budgetary transfers that revise the School District budget line items and the Board reviews the transfers. In addition, during the year the budget was amended. These budget amendments consisted of appropriated reserves, appropriated fund balance, gifts and donations, and insurance recovery, which increased the budget \$3,224,306. The School District received \$6,597,937 more in General Fund revenues than budgeted, primarily due to refunds from the School District's exit from the workers' compensation consortium. The actual charges to appropriations (expenditures) were below the final budget amounts by \$3,270,656. Expenditures were under budget due to lower than expected costs for employee benefits.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Figure 4 summarizes the original and final budgets, the actual expenditures (including encumbrances), and the variances for the year ended June 30, 2023.

Figure 4

<i>Condensed Budgetary Comparison General Fund - 2023</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
REVENUES				
<i>Real Property Taxes</i>	\$ 25,624,721	\$ 22,139,051	\$ 22,131,831	\$ (7,220)
<i>Other Tax Items</i>	226,555	3,712,225	3,698,597	(13,628)
<i>State Sources</i>	33,434,592	33,434,592	35,008,423	1,573,831
<i>Other, Including Financing Sources</i>	738,000	755,061	5,800,015	5,044,954
Total Revenues and Other Financing Sources	\$ 60,023,868	\$ 60,040,929	\$ 66,638,866	\$ 6,597,937
Appropriated Fund Balances	\$ 2,075,606	\$ 5,282,851		
EXPENDITURES				
<i>General Support</i>	\$ 6,274,352	\$ 7,102,387	\$ 6,737,931	\$ 364,456
<i>Instruction</i>	29,183,709	28,923,065	28,134,481	788,584
<i>Pupil Transportation</i>	2,001,473	2,406,403	2,358,342	48,061
<i>Employee Benefits</i>	15,257,075	14,334,651	12,273,482	2,061,169
<i>Debt Service</i>	8,712,865	8,858,835	8,854,675	4,160
<i>Other Financing Uses</i>	670,000	3,698,439	3,694,213	4,226
Total Expenditures and Other Financing (Uses)	\$ 62,099,474	\$ 65,323,780	\$ 62,053,124	\$ 3,270,656

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2023, the School District had invested in a broad range of capital assets totaling \$140,402,992 offset by accumulated depreciation of \$43,279,923. In addition, the School District reported intangible lease assets of \$1,256,629, offset by accumulated amortization of \$708,920. Figure 5 shows the changes in the School District's capital assets.

Figure 5

<i>Changes in Capital Assets</i>	<i>2023</i>	<i>2022</i>	<i>Total Dollar Change</i>
<i>Land</i>	\$ 741,519	\$ 741,519	\$ -
<i>Construction in Progress</i>	3,716,347	18,193,574	(14,477,227)
<i>Buildings, Net</i>	89,045,820	76,544,429	12,501,391
<i>Equipment, Net</i>	3,619,383	3,155,227	464,156
<i>Intangible Lease Assets, Net</i>	547,709	312,199	235,510
Total	\$ 97,670,778	\$ 98,946,948	\$ (1,276,170)

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Capital asset activity for the year ended June 30, 2023 included the following:

Construction in Progress	\$ 1,101,130
Buildings and Equipment	1,141,020
Leased Assets	548,929
 (Less) Depreciation Expense	 (3,753,830)
(Less) Amortization Expense	<u>(313,419)</u>
 Net Change in Capital Assets	 <u>\$ (1,276,170)</u>

Debt Administration

Figure 6 shows the changes in the School District's outstanding debt. Total bonded indebtedness represented 36.0% of the constitutional debt limit, exclusive of building aid estimates.

Figure 6

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Bond Anticipation Notes</i>	\$ 1,499,644	\$ 1,440,581	\$ 59,063
<i>Serial Bonds</i>	30,486,265	36,907,210	(6,420,945)
<i>Installment Purchase Debt</i>	5,594,786	5,961,284	(366,498)
<i>Total</i>	\$ 37,580,695	\$ 44,309,075	\$ (6,728,380)

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

The School District's bond rating is Aaa, which did not change from the prior year.

Other obligations of the School District include accrued vacation pay and sick leave, and OPEB, for retired employees. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- The School District has an approved capital project of \$64.3 million that was approved on December 11, 2022. Work will start in the summer of 2023 and will be completed in the fall of 2027.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

- The School District has an approved Energy Performance Contract totaling \$6,506,636 for a solar land array project on 16 acres of contiguous land near Maine Memorial Elementary School, Maine NY. Work has been completed in the Spring of 2021 and the solar array is fully operational. Expected savings for the School District are approximately \$7 million over 25 years.
- GASB Statement No. 75 requires an actuarial calculation of health insurance obligations for retired employees. This computation was required and initiated in the 2017-2018 fiscal year and could impact the School District's bond rating in future years. The School District has made significant changes to the health plan for actives and retirees. These changes have resulted in significant financial savings to the School District over the past two years.
- Expected increases in costs for health insurance, employee and teacher retirement systems, and fuel costs remain factors bearing on the School District's future. The School District has received a significant increase in foundation aid for 2023-2024 school year, which will help with these costs.
- New York State's tax cap is making it more difficult for school districts to raise revenues in years when expenses trend higher due to pension cost increases, health insurance increases, and other expenses we do not have direct control over. School districts that have attempted to go over the tax levy limit with the State-required 60% budget approval have not fared well statewide. This will make it more difficult for schools to balance budgets when state aid increases lag behind expenditure increases in any given year.
- The School District is pleased with the passage of the 2023-24 budget of \$68,620,535. The budget increased by 11.53% from the previous year. The approval rate was 74.6%, which represents a broad public base of support for the spending plan from our community.
- The School District has been allocated approximately \$7 million in stimulus funds. The School District will be using these funds to address areas such as learning loss, health and safety, and social emotional well-being of staff and students over the next three school years.
- The School District was named in several lawsuits related to claims originating decades ago. Any potential liability of these cases is unknown currently.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Maine-Endwell Central School District, at 712 Farm-to-Market Road, Endwell, New York.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2023

ASSETS

Current Assets

Cash - Unrestricted	\$ 4,716,814
Cash - Restricted	2,436,630
Investments - Restricted	488,741
Receivables:	
State and Federal Aid	3,357,291
Due From Other Governments	1,827,850
Other	107,034
Inventories	33,791
Prepaid Items	356,293
Total Current Assets	13,324,444

Noncurrent Assets

Restricted Cash	12,006,428
Capital Assets, Net	
Land and Other Nondepreciable Capital Assets	4,457,866
Depreciable Capital Assets, Net	92,665,203
Intangible Lease Assets, Net	547,709
Total Noncurrent Assets	109,677,206
Total Assets	123,001,650

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charges on Defeased Debt	43,569
Pensions	11,722,953
Other Postemployment Benefits	18,144,507
Total Deferred Outflows of Resources	29,911,029

LIABILITIES

Current Liabilities

Payables:	
Accounts Payable	1,598,591
Accrued Liabilities	251,699
Due to Other Governments	507
Bond Interest and Matured Bonds	212,881
Due to Teachers' Retirement System	1,960,986
Due to Employees' Retirement System	152,626
Bond Anticipation Notes Payable	1,499,644
Unearned Revenue	307,367
Current Portion of Long-Term Obligations:	
Bonds Payable	6,676,514
Installment Purchase Debt Payable	374,818
Total Current Liabilities	13,035,633

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2023

LIABILITIES (CONTINUED)

Noncurrent Liabilities and Obligations

Bonds Payable	<u>\$ 23,809,751</u>
Installment Purchase Debt Payable	<u>5,219,968</u>
Compensated Absences Payable	<u>2,017,977</u>
Other Postemployment Benefits Liabilities	<u>95,026,290</u>
Net Pension Liability - Proportionate Share	<u>4,855,807</u>
Total Noncurrent Liabilities and Obligations	<u>130,929,793</u>

Total Liabilities	<u>143,965,426</u>
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DEFERRED INFLOWS OF RESOURCES

Pensions	<u>1,240,796</u>
Other Postemployment Benefits	<u>27,108,288</u>

Total Deferred Inflows of Resources	<u>28,349,084</u>
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NET POSITION

Net Investment in Capital Assets	<u>59,806,243</u>
Restricted	<u>15,004,627</u>
Unrestricted Net (Deficit)	<u>(94,212,701)</u>

Total Net (Deficit)	<u>\$ (19,401,831)</u>
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See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants		Capital Grants
General Support	\$ 9,186,937	\$ -	\$ -	\$ -	\$ (9,186,937)
Instruction	39,070,122	391,479	5,876,207	76,440	(32,725,996)
Pupil Transportation	3,325,940	-	-	-	(3,325,940)
School Lunch Program	1,620,913	371,083	1,300,853	-	51,023
Interest on Debt	1,542,154	-	-	-	(1,542,154)
Total Functions and Programs	<u>\$ 54,746,066</u>	<u>\$ 762,562</u>	<u>\$ 7,177,060</u>	<u>\$ 76,440</u>	<u>(46,730,004)</u>

GENERAL REVENUES

Real Property Taxes	22,131,831
Real Property Tax Items	3,698,597
Use of Money and Property	486,807
Unrestricted State Sources	34,678,219
Sale of Property and Compensation for Loss	63,315
Miscellaneous	4,910,189

Total General Revenues 65,968,958

Change in Net Position 19,238,954

Total Net (Deficit) - Beginning of Year (38,640,785)

Total Net (Deficit) - End of Year **\$ (19,401,831)**

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2023

	Major Funds			Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects - Construction Fund	Capital Projects - Bus Fund		
ASSETS					
Cash - Unrestricted	\$ 3,201,067	\$ 1,476,513	\$ -	\$ 39,234	\$ 4,716,814
Cash - Restricted	11,906,302	1,721,012	-	815,744	14,443,058
Investments - Restricted	-	-	-	488,741	488,741
Due From Other Funds	2,933,061	-	-	14,749	2,947,810
State and Federal Aid	1,520,958	-	-	1,836,333	3,357,291
Due From Other Governments	1,827,850	-	-	-	1,827,850
Other	106,803	-	-	231	107,034
Inventories	-	-	-	33,791	33,791
Prepaid items	356,293	-	-	-	356,293
Total Assets	\$ 21,852,334	\$ 3,197,525	\$ -	\$ 3,228,823	\$ 28,278,682
LIABILITIES					
Accounts Payable	\$ 1,137,483	\$ 327,409	\$ -	\$ 133,699	\$ 1,598,591
Accrued Liabilities	229,862	-	-	21,837	251,699
Due to Other Funds	444,376	1,149,104	-	1,354,330	2,947,810
Due to Other Governments	21	-	-	486	507
Due to Teachers' Retirement System	1,960,986	-	-	-	1,960,986
Due to Employees' Retirement System	152,626	-	-	-	152,626
Bond Anticipation Notes Payable	-	-	1,499,644	-	1,499,644
Unearned Revenue	-	-	-	307,367	307,367
Total Liabilities	3,925,354	1,476,513	1,499,644	1,817,719	8,719,230
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - State Aid	459,131	-	-	-	459,131
Total Deferred Inflows of Resources	459,131	-	-	-	459,131
FUND BALANCES					
Nonspendable	356,293	-	-	33,791	390,084
Restricted	11,906,302	1,721,012	-	1,377,313	15,004,627
Assigned	2,521,085	-	-	-	2,521,085
Unassigned	2,684,169	-	(1,499,644)	-	1,184,525
Total Fund Balances (Deficit)	17,467,849	1,721,012	(1,499,644)	1,411,104	19,100,321
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,852,334	\$ 3,197,525	\$ -	\$ 3,228,823	\$ 28,278,682

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

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

Fund Balances (Deficit) - Total Governmental Funds **\$ 19,100,321**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation and amortization, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 141,659,621	
(Less) Accumulated Depreciation	(43,279,923)	
(Less) Accumulated Amortization	<u>(708,920)</u>	97,670,778

The School District's proportion of the collective net pension (asset)/liability is not reported in the funds.

TRS Net Pension Liability - Proportionate Share	\$ (1,726,946)	
ERS Net Pension Liability - Proportionate Share	<u>(3,128,861)</u>	(4,855,807)

Deferred outflows of resources, including deferred charges on defeased debt, OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including unavailable revenue, OPEB, and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Unavailable Revenue	\$ 459,131	
Unamortized Deferred Charges on Defeased Debt	43,569	
TRS Deferred Inflows of Resources - Pension	(1,089,229)	
ERS Deferred Inflows of Resources - Pension	(151,567)	
Other Postemployment Benefits Deferred Inflows of Resources	(27,108,288)	
TRS Deferred Outflows of Resources - Pension	9,514,253	
ERS Deferred Outflows of Resources - Pension	2,208,700	
Other Postemployment Benefits Deferred Outflows of Resources	<u>18,144,507</u>	2,021,076

Proceeds of debt are reported as revenue in the Governmental Funds, but issuance of debt increases the balance of obligations payable in the Statement of Net Position. Repayments of bond principal and installment purchase debt are an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bonds Payable	\$ (28,515,000)	
Installment Purchase Debt Payable	(5,594,786)	
Unamortized Bond Premium	<u>(1,971,265)</u>	(36,081,051)

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Other Postemployment Benefits Liabilities	\$ (95,026,290)	
Compensated Absences	<u>(2,017,977)</u>	(97,044,267)

Interest is accrued on outstanding balances of debt obligations in the District-wide financial statements and, therefore, is not reported as liabilities in the funds.

Accrued Interest on Long-Term Debt		<u>(212,881)</u>
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Net (Deficit) of Governmental Activities **\$ (19,401,831)**

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds			Total Non-Major Governmental Fund	Total Governmental Funds
	General Fund	Capital Projects - Construction Fund	Capital Projects - Buses Fund		
REVENUES					
Real Property Taxes	\$ 22,131,831	\$ -	\$ -	\$ -	\$ 22,131,831
Other Tax Items	3,698,597	-	-	-	3,698,597
Charges for Services	292,625	-	-	-	292,625
Use of Money and Property	458,184	-	-	28,623	486,807
Sale of Property and Compensation for Loss	63,315	-	-	-	63,315
Miscellaneous	4,887,037	-	-	69,678	4,956,715
State Sources	35,008,423	76,440	-	713,538	35,798,401
Federal Sources	98,854	-	-	5,988,151	6,087,005
Surplus Food	-	-	-	100,910	100,910
Sales - School Lunch	-	-	-	368,814	368,814
Total Revenues	66,638,866	76,440	-	7,269,714	73,985,020
EXPENDITURES					
General Support	6,032,500	-	-	942,620	6,975,120
Instruction	27,973,153	-	-	4,840,832	32,813,985
Pupil Transportation	2,354,016	-	-	55,799	2,409,815
Employee Benefits	12,273,482	-	-	874,157	13,147,639
Debt Service:					
Principal	7,021,705	-	-	-	7,021,705
Interest	1,832,970	-	-	-	1,832,970
Cost of Sales	-	-	-	614,022	614,022
Capital Outlay	-	1,145,455	558,296	-	1,703,751
Total Expenditures	57,487,826	1,145,455	558,296	7,327,430	66,519,007
Excess (Deficiency) of Revenues Over Expenditures	9,151,040	(1,069,015)	(558,296)	(57,716)	7,466,013
OTHER FINANCING SOURCES AND (USES)					
Redeemed From Appropriations	-	-	499,237	-	499,237
Proceeds of Obligations	-	145,970	-	-	145,970
Operating Transfers In	-	3,600,000	-	196,108	3,796,108
Operating Transfers (Out)	(3,694,213)	(101,891)	(4)	-	(3,796,108)
Total Other Sources (Uses)	(3,694,213)	3,644,079	499,233	196,108	645,207
Net Change in Fund Balance	5,456,827	2,575,064	(59,063)	138,392	8,111,220
Fund Balances (Deficit) - Beginning of Year	12,011,022	(854,052)	(1,440,581)	1,272,712	10,989,101
Fund Balances (Deficit) - End of Year	\$ 17,467,849	\$ 1,721,012	\$ (1,499,644)	\$ 1,411,104	\$ 19,100,321

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 8,111,220

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital Outlay	\$ 2,791,079	
Depreciation Expense	(3,753,830)	
Amortization Expense	<u>(313,419)</u>	(1,276,170)

Long-term debt proceeds and deferred amounts on refunding, provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of Bond Principal	\$ 6,010,000	
Repayment of Installment Purchase Debt	<u>366,498</u>	6,376,498

The issuance of refunding bonds results in a deferral of the change in the amount of debt. The deferred amount is amortized annually.

Amortization of Deferred Charges on Defeased Debt		(106,020)
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Long-term liabilities, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, activity which results in an (increase) or decrease in these long-term liabilities is not reflected in the Governmental Fund financial statements.

Compensated Absences	\$ (984,619)	
Other Postemployment Benefits Liability	<u>7,733,122</u>	6,748,503

Governmental Funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as interest accrues, regardless of when it is due. Additional interest reported in the Statement of Activities is a result of accrued interest on bonds, BANs, and amortization of bond premiums.

Changes in Accrued Interest	\$ (14,109)	
Amortization of Bond Premium	<u>410,945</u>	396,836

Changes in the School District's proportionate share of net pension (assets)/liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

ERS	\$ (630,747)	
TRS	<u>(381,166)</u>	<u>(1,011,913)</u>

Net Change in Net Position of Governmental Activities \$ 19,238,954

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	<u>Custodial Fund</u>
ASSETS	
Cash - Unrestricted	\$ 62,529
Investments - Unrestricted	<u>25,625</u>
Total Assets	<u><u>\$ 88,154</u></u>
NET POSITION	
Unrestricted	<u>\$ 88,154</u>
Total Net Position	<u><u>\$ 88,154</u></u>

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Fund</u>
ADDITIONS	
Extraclassroom Receipts	<u>\$ 150,016</u>
DEDUCTIONS	
Extraclassroom Disbursements	<u>150,424</u>
Change in Net Position	<u>(408)</u>
Net Position - Beginning of Year	<u>88,562</u>
Net Position - End of Year	<u>\$ 88,154</u>

See Notes to Basic Financial Statements

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies**

The accompanying financial statements of Maine-Endwell Central School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments, as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

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

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

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended:

- The primary government, which is the Maine-Endwell Central School District;
- 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 basic financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity.

The decision to include a potential component unit in the School 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 Extraclassroom Activity Funds are included in the School District's reporting entity.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Reporting Entity - Continued

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. While the Extraclassroom Activity Funds are not considered a component unit of the School District, due to the School District's fiduciary responsibility in relation to the funds, they are reported in the School District's Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from Maine-Endwell Central School District's Business Office, located at 712 Farm-to-Market Road, Endwell, NY 13760.

Joint Venture

The School District is one of 15 component school districts in the Broome-Tioga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs 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 (GML).

A 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 Education Law §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

Separate financial statement of Broome-Tioga BOCES may be obtained by contacting the administrative office at 435 Glenwood Rd., Binghamton, NY 13905.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Basis of Presentation - District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the School District's Governmental Activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental Activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange 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 revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Basis of Presentation - Governmental Fund Financial Statements

The Governmental Fund financial statements provide information about the School District's funds, including Fiduciary Funds. Separate statements for each fund category (Governmental and Fiduciary) are presented. The emphasis of Governmental Fund financial statements is on Major Governmental Funds, each displayed in a separate column.

The School District reports the following Governmental Funds:

Major Funds

- **General Fund:** The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- **Capital Projects - Construction Fund:** Accounts for the financial resources used for the construction of the educational complexes.
- **Capital Projects - Bus Fund:** Accounts for the financial resources used for the purchase of buses.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Basis of Presentation - Governmental Fund Financial Statements - Continued

Non-Major Funds

- **Special Revenue Funds:** These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - **Special Aid Fund:** Accounts for proceeds received from state and federal grants that are restricted for special educational programs.
 - **School Lunch Fund:** Accounts for revenues and expenditures in connection with the School District's food service program.
 - **Miscellaneous Special Revenue Fund:** Used to account for scholarship funds awarded to individual students.
- **Debt Service Fund:** Accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of Governmental Activities.

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

The School District reports the following Fiduciary Fund:

- **Custodial Fund:** Strictly custodial in nature and do not involve measurement of results of operations. Assets are held by the School District as agent for various student groups or Extraclassroom Activity Funds.

Measurement Focus and Basis of Accounting

The District-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School 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.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Measurement Focus and Basis of Accounting - Continued

The Governmental Fund financial 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 School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for BOCES aid, which is accrued only if receivable within 60 days after the end of the fiscal year.

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

Cash and Investments

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

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, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

Due To/From Other Funds

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Inventories and Prepaid Items

Inventories of food in the School 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 fair value. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance equal to inventories and prepaid amounts is reported as nonspendable, as these assets are not in spendable form in the current period.

Capital Assets

Capital assets are reported at actual cost, including the right to use assets acquired through financed lease agreements. Donated assets are reported at estimated fair market value at the time received. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the District-wide financial statements are listed below.

Depreciation and amortization are calculated using the straight-line method.

	Capitalization Threshold	Estimated Useful Life
Buildings	\$ 5,000	40 Years
Improvements	5,000	20 - 30 Years
Furniture and Equipment	5,000	5 - 12 Years

Vested Employee Benefits - Compensated Absences

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

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

School District employees are granted vacation time 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.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Vested Employee Benefits - Compensated Absences - Continued

Consistent with GASB Statement Number 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

Postemployment Benefits

School 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 School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School 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.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 11 for additional information.

Unearned Revenue and Unavailable Revenue

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

The Governmental Fund financial statements report unavailable revenues when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed and revenues are recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports deferred charges on defeased debt resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt. See Note 7 for details. The School District also reports deferred outflows of resources related to pensions and OPEB plans in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 10 and 11, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 10 and 11, respectively. Additionally, unavailable revenue is reported on the Balance Sheet. Unavailable revenues from state aid will be paid by the state "when funds become available." These amounts are deferred and recognized as an inflow of resources in the period amounts become available.

Leases

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

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

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

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Accrued Liabilities and Long-Term Obligations

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

Long-term obligations represent the School 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.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Equity Classifications - District-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other net resources that do not meet the definition of "restricted" or "net investment in capital assets."

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements

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

- **Nonspendable** - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

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

The Board of Education of the School District has not adopted any resolutions to commit fund balance. By resolution, the Board of Education authorized the Assistant Superintendent for Business to assign fund balance. The School District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Legally Adopted Reserves

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. These reserves are reported in the fund financial statements as Restricted Fund Balance. Reserves currently in use by the School District include the following:

- Capital Reserve (Education Law §3651) - 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 voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.
- Mandatory Reserve for Debt Service (GML§ 6-1) - Used to establish a reserve for the purpose of retiring outstanding obligations upon the sale of School District property or capital improvements financed by obligations which remain outstanding at the time of sale. Funding of this reserve is from the proceeds of the sale of School District property or capital improvements. This reserve is accounted for in the Debt Service Fund.
- Employee Benefit Accrued Liability Reserve (GML § 6-p) - Used to reserve funds for 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.
- Unemployment Insurance Reserve (GML § 6-m) - Used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other Reserve Fund. This reserve is accounted for in the General Fund.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Legally Adopted Reserves - Continued

- Retirement Contribution Reserve (GML § 6-r) - Used to reserve funds for the purpose of financing retirement contributions. 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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund 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 GML §6-r. These reserves are accounted for in the General Fund.
- Workers' Compensation Reserve (GML §6-j) - Used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses for administering this self-insurance program. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or applied to the appropriations of the succeeding fiscal year's budget. This reserve is accounted for in the General Fund.
- Reserve for Repairs (GML §6-d) - Used to pay the cost of repairs to capital improvements or equipment, of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.
- Insurance Reserve (GML §6-n) - Used to fund health insurance claims. The initial funding for this reserve was primarily from refunds received from the withdrawal from the Broome-Tioga-Delaware BOCES Consortium.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 12, 2022. Taxes were collected during the period September 1, 2022 to November 1, 2022.

Uncollected real property taxes are subsequently enforced by the Counties of Tioga and Broome. An amount representing uncollected real property taxes transmitted to the counties for enforcement is paid by the counties to the School District no later than the following April 1.

Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

New Accounting Standards

The School District adopted and implemented the following current Statements of the GASB effective for the year ended June 30, 2023:

- GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." The School District has determined there was no material effect on the financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 101, "Compensated Absences," effective for the year ending June 30, 2025.

The School District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 2 **Participation in BOCES**

During the year ended June 30, 2023, the School District's share of BOCES income amounted to \$3,585,287. The School District was billed \$10,238,497 for BOCES administration, program costs and capital costs. Financial statements for Broome-Tioga BOCES are available from the BOCES administrative office at 435 Glenwood Rd., Binghamton, NY 13905.

Note 3 **Cash, Cash Equivalents and Investments - Custodial Credit and Concentration of Credit**

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

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District's aggregate bank balances of \$19,285,492, are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (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.

The School District has few investments (primarily donated scholarship funds and United States Treasury obligations) and chooses to disclose its investments by specifically identifying each. The School District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following investments are held by the School District.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 3 Cash, Cash Equivalents and Investments - Custodial Credit and Concentration of Credit - Continued

The School District reported Level 1 U.S. Treasury Bills at fair value of \$488,741 and a cost of \$487,272 within the Debt Service Fund as well as Level 2 Certificates of Deposit at a fair value and cost of \$25,625 in the Custodial Fund.

Restricted cash and investments at June 30, 2023 consisted of the following:

General Fund Reserves	\$ 11,906,302
Restricted for Capital Projects	1,721,012
Restricted for School Lunch	565,602
Restricted for Scholarships	100,126
Restricted for Debt	<u>638,757</u>
Total	<u>\$ 14,931,799</u>

Note 4 Interfund Balances and Activity

Interfund balances at June 30, 2023, are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$2,933,061	\$ 444,376	\$ -	\$3,694,213
Capital Projects - Construction Fund	-	1,149,104	3,600,000	101,891
Capital Projects - Buses Fund	-	-	-	4
Non-Major Funds	<u>14,749</u>	<u>1,354,330</u>	<u>196,108</u>	<u>-</u>
Total	<u>\$2,947,810</u>	<u>\$2,947,810</u>	<u>\$3,796,108</u>	<u>\$3,796,108</u>

Interfund receivables and payables are eliminated on the Statement of Net Position.

The School District typically transfers from the General Fund to the Special Aid Fund to fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Projects Funds, as needed, to fund capital projects. Periodically, the School District transfers funds as needed to subsidize the School Lunch Fund.

The School 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.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 5 Capital Assets

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications and Disposals</u>	<u>Ending Balance</u>
Capital Assets that are not Depreciated				
Land	\$ 741,519	\$ -	\$ -	\$ 741,519
Construction in Progress	18,193,574	1,101,130	(15,578,357)	3,716,347
Total Nondepreciable Historical Cost	<u>18,935,093</u>	<u>1,101,130</u>	<u>(15,578,357)</u>	<u>4,457,866</u>
Capital Assets that are Depreciated				
Buildings	111,016,704	58,111	15,578,357	126,653,172
Furniture and Equipment	8,250,760	1,082,909	(41,715)	9,291,954
Total Depreciable Historical Cost	<u>119,267,464</u>	<u>1,141,020</u>	<u>15,536,642</u>	<u>135,945,126</u>
Intangible Lease Assets:				
Equipment	707,700	548,929	-	1,256,629
Total Historical Cost	<u>138,910,257</u>	<u>2,791,079</u>	<u>(41,715)</u>	<u>141,659,621</u>
(Less) Accumulated Depreciation				
Buildings	(34,472,275)	(3,135,077)	-	(37,607,352)
Furniture and Equipment	(5,095,533)	(618,753)	41,715	(5,672,571)
Total Accumulated Depreciation	<u>(39,567,808)</u>	<u>(3,753,830)</u>	<u>41,715</u>	<u>(43,279,923)</u>
(Less) Accumulated Amortization				
Equipment	(395,501)	(313,419)	-	(708,920)
Total Historical Cost, Net	<u>\$ 98,946,948</u>	<u>\$ (1,276,170)</u>	<u>\$ -</u>	<u>\$ 97,670,778</u>

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

General Support	\$ 1,978,312
Instruction	1,604,299
Pupil Transportation	436,935
School Lunch Program	47,703
Total	<u>\$ 4,067,249</u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 6 Short-Term Debt

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District redeemed a RAN during the year.

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

The School District may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Such notes may be classified as long-term when (1) the intention is to refinance the debt on a long-term basis; and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. Short-term debt activity for the year is summarized below:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2023</u>
Bus BAN	09/29/2022	09/29/2023	3.22%	<u>\$ 1,499,644</u>
Total				<u>\$ 1,499,644</u>

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Refinanced/ Redeemed</u>	<u>Ending Balance</u>
BANs	<u>\$ 1,440,581</u>	<u>\$ 1,499,644</u>	<u>\$ (1,440,581)</u>	<u>\$ 1,499,644</u>
Total	<u>\$ 1,440,581</u>	<u>\$ 1,499,644</u>	<u>\$ (1,440,581)</u>	<u>\$ 1,499,644</u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 6 Short-Term Debt - Continued

Interest on short-term debt for the year was comprised of:

Interest Paid	\$	5,186
(Less) Interest Accrued in the Prior Year		(3,890)
Plus Interest Accrued in the Current Year		36,351
 Total	 \$	37,647

Note 7 Long-Term Debt

At June 30, 2023, the total outstanding indebtedness of the School District represented 36.0% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- Serial Bonds and Statutory Installment Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. Statutory Installment Bonds are sometimes issued directly with a financial institution or investor and are not offered for public sale. There are no terms that present additional risk to the School District associated with these direct borrowings or placements.
- Installment Purchase Debt - The School District leases equipment with the intent to purchase.

The following is a summary of the School District's long-term debt for the year ended June 30, 2023:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2023</u>
Serial Bonds				
Refunding Bonds	06/15/2016	06/15/2025	2.0% - 4.0%	\$ 6,485,000
2015 Bus Bonds	06/15/2015	06/15/2027	2.0% - 3.0%	2,260,000
Construction Bond DASNY	06/17/2020	06/15/2033	5.0%	9,365,000
Construction Bond DASNY	06/15/2022	06/15/2037	5.0%	10,405,000
Subtotal Serial Bonds				28,515,000
Unamortized Premium				1,971,265
Total Bonds				30,486,265
 Installment Purchase Debt	 7/28/2020	 7/15/2035	 2.27%	 5,594,786
Total				\$ 36,081,051

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 7 Long-Term Debt - Continued

Interest paid on long-term debt during the year was comprised of:

Interest Paid	\$ 1,827,784
(Less) Interest Accrued in the Prior Year	(194,882)
Interest Accrued in the Current Year	176,530
(Less) Amortization of Bond Premium	(410,945)
Amortization of Deferred Charges on Defeased Debt	<u>106,020</u>
 Total	 <u>\$ 1,504,507</u>

Interest paid on the Serial Bonds varies from year to year, in accordance with interest rates specified in the bond agreements.

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Serial Bonds	\$ 34,525,000	\$ -	\$ (6,010,000)	\$ 28,515,000	\$ 6,365,000
Installment Purchase Debt	5,961,284	-	(366,498)	5,594,786	374,818
Subtotal	40,486,284	-	(6,376,498)	34,109,786	6,739,818
Premium	2,382,210	-	(410,945)	1,971,265	311,514
 Total	 <u>\$ 42,868,494</u>	 <u>\$ -</u>	 <u>\$ (6,787,443)</u>	 <u>\$ 36,081,051</u>	 <u>\$ 7,051,332</u>

The following is a summary of the maturity of long-term indebtedness:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,365,000	\$ 1,278,400	\$ 7,643,400
2025	4,745,000	1,013,250	5,758,250
2026	2,135,000	814,950	2,949,950
2027	1,910,000	720,200	2,630,200
2028	1,685,000	630,700	2,315,700
2029-2033	8,670,000	1,886,150	10,556,150
2034-2037	3,005,000	320,250	3,325,250
 Total	 <u>\$ 28,515,000</u>	 <u>\$ 6,663,900</u>	 <u>\$ 35,178,900</u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 7 Long-Term Debt - Continued

Installment Purchase Debt

The following is a schedule of future minimum payments under installment purchase debt:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 374,818	\$ 127,002	\$ 501,820
2025	383,326	118,493	501,819
2026	392,027	109,792	501,819
2027	400,927	100,893	501,820
2028	410,028	91,792	501,820
2029-2033	2,194,050	315,045	2,509,095
2034-2036	1,439,610	65,846	1,505,456
Total	<u>\$ 5,594,786</u>	<u>\$ 928,863</u>	<u>\$ 6,523,649</u>

The cost and net book value of assets procured through installment purchase debt was \$6,304,717 and \$6,042,020, respectively.

Unamortized deferred charges on defeased debt are amortized over the life of the bonds. Balances and activity for the year are summarized as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Unamortized Deferred Charges on Defeased Debt	\$ 149,589	\$ -	\$ (106,020)	\$ 43,569	\$ 43,569
Total	<u>\$ 149,589</u>	<u>\$ -</u>	<u>\$ (106,020)</u>	<u>\$ 43,569</u>	<u>\$ 43,569</u>

Note 8 Compensated Absences

Represents the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General Fund.

A summary of compensated absences activity follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated Absences	<u>\$1,033,358</u>	<u>\$ 984,619</u>	<u>\$ -</u>	<u>\$ 2,017,977</u>

Changes in compensated absences are recorded as net, as it is not practical to isolate additions and deletions.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 9 Lease Liabilities

The School District enters into lease agreements for certain equipment that are considered leases. The School District is not party to any material short term leases, and current leases do not require any variable payments. At June 30, 2023, the School District reported \$1,256,629, offset by accumulated amortization of \$708,920, in intangible lease assets with no associated liabilities.

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)

Teachers' Retirement System (TRS) (System)

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee 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 (RSSL). 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, New York 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the New York State Retirement and Social Security Law (RSSL), those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, accumulated member contributions are refunded. At retirement, accumulated member contributions can be withdrawn or are paid as a life annuity.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Employees' Retirement System (ERS) (System)

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit pension plan. 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 RSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Contributions

The School District is required to contribute at an actuarially determined rate. The School District's contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	ERS	TRS
2023	\$ 623,728	\$ 1,576,357
2022	549,297	1,381,006
2021	578,766	1,345,382

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

At June 30, 2023, the School District reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for each of the Systems. The net pension (asset)/liability was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The School District's proportionate share of the net pension (asset)/liability was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

	ERS	TRS
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Net Pension (Asset)/Liability	\$ 21,444,032,790	\$ 1,918,891,690
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	3,128,861	1,726,946
School District's Share of the Net Pension (Asset)/Liability	0.0145908%	0.089997%

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

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

For the year ended June 30, 2023, the School District recognized pension expense of \$1,162,540 for ERS and \$2,179,714 for TRS in the District-wide financial statements. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 333,248	\$ 1,809,621	\$ 87,870	\$ 34,605
Changes of Assumptions	1,519,577	3,349,984	16,794	695,663
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	2,231,379	18,382	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	203,249	310,044	28,521	358,961
School District's Contributions Subsequent to the Measurement Date	152,626	1,813,225	-	-
Total	\$ 2,208,700	\$ 9,514,253	\$ 151,567	\$ 1,089,229

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

Year Ending	ERS	TRS
2024	\$ 466,452	\$ 1,289,625
2025	(126,436)	672,899
2026	676,247	(251,063)
2027	888,244	4,367,307
2028	-	534,051
Thereafter	-	(1,020)

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Investment Rate of Return	5.9%	6.95%
Salary Increases	4.4%	1.95% - 5.18%
Cost of Living Adjustments	1.5%	1.3%
Inflation Rate	2.9%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions - Continued

For TRS, the actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows.

Measurement Date	ERS March 31, 2023	TRS June 30, 2022
Asset Type		
Domestic Equity	4.30%	6.50%
International Equity	6.85%	7.20%
Global Equity	-	6.90%
Real Estate	4.60%	6.20%
Private Equity	7.50%	9.90%
Opportunistic ARS Portfolio	5.38%	-
Real Assets	5.84%	-
Cash	0.00%	-
Credit	1.50%	-
Domestic Fixed Income	-	1.10%
Global Bonds	-	0.60%
Private Debt	-	5.30%
Real Estate Debt	-	2.40%
High-Yield Bonds	-	3.30%
Cash Equivalents	-	(0.30)%

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Discount Rate

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

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

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 7,561,115	\$ 3,128,861	\$ (574,803)
TRS	1% Decrease (5.95)%	Current Assumption (6.95)%	1% Increase (7.95)%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 15,923,256	\$ 1,726,946	\$ (10,212,057)

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Employers' Total Pension Liability	\$ 232,627,259	\$ 133,883,474
Plan Net Position	(211,183,223)	(131,964,582)
Employers' Net Pension (Asset)/Liability	\$ 21,444,036	\$ 1,918,892
Ratio of Plan Net Position to the Employers' Total Pension Liability	90.8%	98.6%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$152,626.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$1,960,986.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension (Asset)/Liability	\$ (913,940)	\$ 4,042,801	\$ 3,128,861
Deferred Outflows of Resources	(1,795,321)	(413,379)	(2,208,700)
Deferred Inflows of Resources	3,150,242	(2,998,675)	151,567
Subtotal	440,981	630,747	1,071,728
TRS			
Net Pension (Asset)/Liability	(14,752,662)	16,479,608	1,726,946
Deferred Outflows of Resources	(8,876,313)	(637,940)	(9,514,253)
Deferred Inflows of Resources	16,549,731	(15,460,502)	1,089,229
Subtotal	(7,079,244)	381,166	(6,698,078)
Total	\$ (6,638,263)	\$ 1,011,913	\$ (5,626,350)

Note 11 Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan (Plan)

Plan Description - The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the School District has in place with different classifications of employees. The Plan is a single-employer defined benefit healthcare plan administered by the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under.

The specifics of each contract are on file at the School District offices and are available upon request.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued

General Information about the OPEB Plan - Continued

Employees Covered by Benefit Terms - At June 30, 2023, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	354
Active Employees	<u>388</u>
Total	<u>742</u>

Total OPEB Liability

The School District's total OPEB liability of \$95,026,290 was measured as of July 1, 2022, and was determined by valuation as of July 1, 2022.

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

Single Discount Rate	3.54%,
Salary Scale	3.0%
Rate of Inflation	2.5%
Marriage Rate	70.0%
Participation Rate	100.0%
Participation Rate Spouse	80.0%
Healthcare Cost Trend Rates	8.0% for 2024, Decreasing to an Ultimate Rate of 3.94% for 2093

The single discount rate above is based on the Bond Buyer Weekly 20-Bond GO Index.

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

Rates of decrement due to turnover based on the experience under the New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). The ERS rates are based on the experience study released by the Retirement Systems Actuary and published in their August 2020 Report. The TRS rates are based on the experience study released by the Office of the Actuary and published in their October 19, 2021 report.

The actuarial assumptions used in the July 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 96,243,762
 Changes For The Year	
Service Cost	3,187,897
Interest Cost	2,086,508
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	5,929,065
Changes in Assumptions or Other Inputs	(8,558,289)
Benefit Payments	(3,862,653)
	(1,217,472)
 Balance at June 30, 2023	 \$ 95,026,290

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 110,805,376	\$ 95,026,290	\$ 82,446,891

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 81,269,915	\$ 95,026,290	\$ 112,697,595

For the year ended June 30, 2023, the School District recognized OPEB expense of \$3,480,295.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 11 **Postemployment Benefits Other Than Pensions (OPEB) - Continued**

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

At June 30, 2023, the School 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	\$ 4,864,601	\$ 19,701,254
Changes in Assumptions or Other Inputs	9,027,079	7,407,034
Contributions Subsequent to Measurement Date	4,252,827	-
Total	\$ 18,144,507	\$ 27,108,288

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the OPEB liability in the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ (6,101,086)
2025	(5,898,491)
2026	(484,931)
2027	(463,041)
2028	(269,059)
Thereafter	-

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
OPEB Liability	\$ 96,243,762	\$ (1,217,472)	\$ 95,026,290
Deferred Outflows of Resources	(17,392,278)	(752,229)	(18,144,507)
Deferred Inflows of Resources	32,871,709	(5,763,421)	27,108,288
Total	\$ 111,723,193	\$ (7,733,122)	\$ 103,990,071

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 12 Commitments and Contingencies

Risk Financing and Related Insurance - General Information

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

Risk Financing and Related Insurance - Health Insurance

During the 2020-2021 year, the School District exited the health insurance plan sponsored by Broome-Tioga-Delaware health insurance consortium, and received a payout based on its exit from the plan. The School District established an insurance reserve to fund health insurance claims.

The School District is self-insured for employee medical, dental and prescription drug insurance coverage. The School District uses a third part administrator who is responsible for processing claims and estimating liabilities. The School District has also purchases stop-loss insurance for major medical claims.

Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-out and other economic and social factors.

During the year ended June 30, 2023, the School District incurred premiums or contribution expenditures totaling \$8,427,531.

Risk Financing and Related Insurance - Workers' Compensation

During the 2020-2021 year, the School District exited the workers' compensation plan sponsored by BOCES. The School District created a workers' compensation reserve to pay future workers' compensation claims.

The School District is self-insured for employee workers' compensation coverage. The School District uses a third part administrator who is responsible for processing claims and estimating liabilities.

Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-out and other economic and social factors.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 12* Commitments and Contingencies - Continued**

Risk Financing and Related Insurance - Workers' Compensation - Continued

During the year ended June 30, 2023, the School District incurred premiums or contribution expenditures totaling \$207,461.

Other Items

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

***Note 13* Stewardship, Compliance, and Accountability - Deficit Fund Balance and Net Position**

Deficit Fund Balances

The Capital Projects - Bus Fund had a deficit fund balance of \$1,499,644 at June 30, 2023. This deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

Deficit Net Position

At June 30, 2023, the District-wide Statement of Net Position had an unrestricted net deficit of \$94,212,701. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 11). The deficit is not expected to be eliminated during the normal course of operations.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 14 Fund Balance Detail

At June 30, 2023, nonspendable, restricted, assigned, and unassigned fund balance in the governmental funds was as follows:

	General Fund	Capital Projects- Construction Fund	Capital Projects- Buses Fund	Non-Major Funds
Nonspendable				
Inventory	\$ -	\$ -	\$ -	\$ 33,791
Prepaid Expenses	356,293	-	-	-
Total Nonspendable Fund Balance	\$ 356,293	\$ -	\$ -	\$ 33,791
Restricted				
Unemployment Insurance Reserve	\$ 75,118	\$ -	\$ -	\$ -
Reserve for ERS Contributions	2,575,853	-	-	-
Reserve for TRS Contributions	1,503,855	-	-	-
Workers' Compensation Reserve	51,267	-	-	-
Employee Benefit Accrued Liability Reserve	1,326,726	-	-	-
Insurance Reserve	4,537,891	-	-	-
Reserve for Repairs	1,013,677	-	-	-
Capital Reserve	821,915	-	-	-
School Lunch	-	-	-	638,430
Miscellaneous Special Revenue	-	-	-	100,126
Capital	-	1,721,012	-	-
Debt	-	-	-	638,757
Total Restricted Fund Balance	\$ 11,906,302	\$ 1,721,012	\$ -	\$ 1,377,313
Assigned				
Appropriated for Next Year's Budget	\$ 1,650,000	\$ -	\$ -	\$ -
Encumbered for:				
General Support	705,431	-	-	-
Instruction	161,328	-	-	-
Pupil Transportation	4,326	-	-	-
Total Assigned Fund Balance	\$ 2,521,085	\$ -	\$ -	\$ -
Unassigned Fund Balance	\$ 2,684,169	\$ -	\$ (1,499,644)	\$ -

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 15 Restricted Fund Balances

Portions of fund balance are reserved and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity for the year ended June 30, 2023 of the General Fund reserves and Debt Service Fund were as follows:

<u>General Fund</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Interest Earned</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Employee Benefit Accrued Liability Reserve	\$ 1,497,418	\$ -	\$ 36,553	\$ (207,245)	\$ 1,326,726
Workers' Compensation Reserve	50,000	-	1,267	-	51,267
Reserve for ERS Contributions	2,024,553	500,000	51,300	-	2,575,853
Reserve for TRS Contributions	1,155,706	318,864	29,285	-	1,503,855
Unemployment Insurance Reserve	73,262	-	1,856	-	75,118
Insurance Reserve	1,890,000	2,600,000	47,891	-	4,537,891
Reserve for Repairs	500,020	500,000	13,657	-	1,013,677
Capital Reserve	45,755	775,000	1,160	-	821,915
Total General Fund	<u>\$ 7,236,714</u>	<u>\$ 4,693,864</u>	<u>\$ 182,969</u>	<u>\$ (207,245)</u>	<u>\$ 11,906,302</u>
Debt Service Fund	<u>\$ 510,286</u>	<u>\$ 101,895</u>	<u>\$ 26,576</u>	<u>\$ -</u>	<u>\$ 638,757</u>

Note 16 Tax Abatements

For the year ended June 30, 2023, the School District was subject to tax abatements negotiated by the Broome County Industrial Development Agency (BCIDA).

The BCIDA enters into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by \$51,940. The School District received payment in lieu of tax (PILOT) payments totaling \$171,891.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local Sources				
Real Property Taxes	\$ 25,624,721	\$ 22,139,051	\$ 22,131,831	\$ (7,220)
Other Tax Items	226,555	3,712,225	3,698,597	(13,628)
Charges for Services	155,000	155,000	292,625	137,625
Use of Money and Property Sale of Property and Compensation for Loss	-	-	458,184	458,184
Miscellaneous	480,000	484,156	4,887,037	4,402,881
Total Local Sources	<u>26,486,276</u>	<u>26,503,337</u>	<u>31,531,589</u>	<u>5,028,252</u>
State Sources	33,434,592	33,434,592	35,008,423	1,573,831
Federal Sources	103,000	103,000	98,854	(4,146)
Total Revenues	<u>60,023,868</u>	<u>60,040,929</u>	<u>\$ 66,638,866</u>	<u>\$ 6,597,937</u>
Appropriated Fund Balance	1,500,000	4,500,000		
Appropriated Reserves	-	207,245		
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	575,606	575,606		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	<u>\$ 62,099,474</u>	<u>\$ 65,323,780</u>		

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	\$ 37,981	\$ 66,908	\$ 58,660	\$ 1,234	\$ 7,014
Central Administration	261,958	267,956	261,574	94	6,288
Finance	882,357	895,937	859,729	5,950	30,258
Staff	299,467	489,273	476,203	-	13,070
Central Services	4,203,341	4,792,575	3,793,511	698,153	300,911
Special Items	589,248	589,738	582,823	-	6,915
Total General Support	6,274,352	7,102,387	6,032,500	705,431	364,456
Instruction					
Instruction, Administration, and Improvement	1,714,252	1,739,506	1,669,646	1,462	68,398
Teaching - Regular School	14,018,007	13,821,666	13,343,946	80,236	397,484
Programs for Children With Handicapping Conditions	8,196,182	8,359,086	8,165,853	-	193,233
Teaching - Special school	40,000	40,000	34,928	-	5,072
Instructional Media	2,328,016	1,996,301	1,949,182	26,349	20,770
Pupil Services	2,887,252	2,966,506	2,809,598	53,281	103,627
Total Instruction	29,183,709	28,923,065	27,973,153	161,328	788,584
Pupil Transportation	2,001,473	2,406,403	2,354,016	4,326	48,061
Employee Benefits	15,257,075	14,334,651	12,273,482	-	2,061,169
Debt Service					
Principal	7,125,736	7,025,863	7,021,705	-	4,158
Interest	1,587,129	1,832,972	1,832,970	-	2
Total Debt Service	8,712,865	8,858,835	8,854,675	-	4,160
Total Expenditures	61,429,474	61,625,341	57,487,826	871,085	3,266,430
OTHER FINANCING USES					
Operating Transfers Out	670,000	3,698,439	3,694,213	-	4,226
Total Expenditures and Other Financing Uses	\$ 62,099,474	\$ 65,323,780	61,182,039	\$ 871,085	\$ 3,270,656
Net Change in Fund Balance			5,456,827		
Fund Balance - Beginning of Year			12,011,022		
Fund Balance - End of Year			\$ 17,467,849		

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 623,728	\$ 549,297	\$ 578,766	\$ 592,689	\$ 564,022	\$ 537,410	\$ 604,707	\$ 543,355	\$ 505,351	\$ 650,766
Contributions in Relation to the Contractually Required Contribution	(623,728)	(549,297)	(578,766)	(592,689)	(564,022)	(537,410)	(604,707)	(543,355)	(505,351)	(650,766)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	4,657,597	3,465,729	3,828,247	3,905,198	3,634,531	3,413,058	3,615,784	3,072,260	3,190,275	3,642,879
Contributions as a Percentage of Covered Payroll	13.4%	15.8%	15.1%	15.2%	15.5%	15.7%	16.7%	17.7%	15.8%	17.9%

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,813,225	\$ 1,576,357	\$ 1,381,006	\$ 1,345,382	\$ 1,570,648	\$ 1,526,640	\$ 1,744,288	\$ 1,934,768	\$ 2,423,190	\$ 2,084,158
Contributions in Relation to the Contractually Required Contribution	(1,813,225)	(1,576,357)	(1,381,006)	(1,345,382)	(1,570,648)	(1,526,640)	(1,744,288)	(1,934,768)	(2,423,190)	(2,084,158)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	17,604,126	16,085,276	14,536,905	15,184,898	14,789,529	15,577,959	14,883,003	14,591,011	13,823,103	12,825,588
Contributions as a Percentage of Covered Payroll	10.3%	9.8%	9.5%	9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension (Asset)/Liability	0.0145908%	0.011180%	0.011307%	0.011779%	0.011687%	0.011723%	0.012602%	0.011476%	0.011996%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 3,128,861	\$ (913,940)	\$ 11,259	\$ 3,119,085	\$ 828,060	\$ 378,347	\$ 1,184,125	\$ 1,841,867	\$ 405,257
School District's Covered-Employee Payroll During the Measurement Period	4,582,206	3,435,494	3,803,362	3,870,736	3,607,151	3,374,841	3,586,065	3,072,260	3,190,275
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	68.3%	26.6%	0.3%	80.6%	23.0%	11.2%	33.0%	60.0%	12.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
The Following is a Summary of Changes of Assumptions									
Inflation	2.90%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	4.40%	4.40%	4.50%	4.20%	3.80%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	1.50%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

*Schedule is Intended to Show Information for 10 Years.
Additional Years Will be Displayed as They Become Available.*

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension (Asset)/Liability	0.089997%	0.085133%	0.089148%	0.088379%	0.094390%	0.092107%	0.093341%	0.090998%	0.008596%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 1,726,946	\$ (14,752,662)	\$ 2,463,390	\$ (2,296,104)	\$ (1,706,816)	\$ (700,107)	\$ 999,719	\$ (9,451,778)	\$ (9,575,723)
School District's Covered-Employee Payroll During the Measurement Period	16,085,276	14,536,905	15,184,898	14,789,529	15,577,959	14,883,003	14,591,011	13,823,103	12,825,588
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	10.7%	101.5%	16.2%	15.5%	11.0%	4.7%	6.9%	68.4%	74.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.6%	113.2%	97.8%	102.2%	101.50%	100.7%	99.0%	110.5%	111.5%
The Following is a Summary of Changes of Assumptions									
Inflation	2.40%	2.20%	2.20%	2.25%	2.50%	2.50%	3.00%	3.00%	3.00%
Salary Increases	1.95% - 5.18%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	4.0% - 10.9%	4.0% - 10.9%	4.0% - 10.9%
Cost of Living Adjustments	1.30%	1.30%	1.30%	1.50%	1.50%	1.50%	1.63%	1.63%	1.63%
Investment Rate of Return	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%	8.00%
Discount Rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%	8.00%
Society of Actuaries' Mortality Scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

Schedule is Intended to Show Information for 10 Years.

Additional Years Will be Displayed as They Become Available.

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 3,187,897	\$ 3,781,914	\$ 3,675,376	\$ 3,585,455	\$ 4,216,030	\$ 5,434,267	\$ *	\$ *	\$ *	\$ *
Interest Cost	2,086,508	2,322,351	4,660,091	4,859,829	4,623,805	4,011,300	*	*	*	*
Changes of Benefit Terms	-	(10,325,180)	(2,310,879)	-	-	-	*	*	*	*
Differences Between Expected and Actual Experience	5,929,065	-	(48,242,957)	-	(2,111,447)	-	*	*	*	*
Changes in Assumptions or Other Inputs	(8,558,289)	1,133,177	18,288,327	3,537,449	(4,665,687)	(16,452,678)	*	*	*	*
Benefit Payments	(3,862,653)	(3,940,734)	(4,535,615)	(4,472,718)	(4,115,620)	(4,050,386)	*	*	*	*
	<u>(1,217,472)</u>	<u>(7,028,472)</u>	<u>(28,465,657)</u>	<u>7,510,015</u>	<u>(2,052,919)</u>	<u>(11,057,497)</u>	*	*	*	*
Total OPEB Liability - Beginning of Year	<u>96,243,762</u>	<u>103,272,234</u>	<u>131,737,891</u>	<u>124,227,876</u>	<u>126,280,795</u>	<u>137,338,292</u>	*	*	*	*
Total OPEB Liability - End of Year	<u>\$ 95,026,290</u>	<u>\$ 96,243,762</u>	<u>\$ 103,272,234</u>	<u>\$ 131,737,891</u>	<u>\$ 124,227,876</u>	<u>\$ 126,280,795</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
Covered Employee Payroll	\$ 21,377,766	\$ 18,688,695	\$ 19,523,625	\$ 18,897,192	\$ 19,470,155	18,179,869	*	*	*	*
Total OPEB Liability as a Percentage of Covered Payroll	445%	515%	529%	697%	638%	695%	*	*	*	*
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	8.0% - 3.94%	6.50% - 4.04%	6.50% - 4.04%	7.00% - 4.13%	7.00% - 4.13%	7.20% - 3.94%	*	*	*	*
Salary Increases	3.00%	4.25%	4.25%	3.50%	4.25%	4.25%	*	*	*	*
Discount Rate	3.54%	2.14%	2.21%	3.50%	3.87%	3.60%	*	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2017	*	*	*	*

* Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.

See Notes to Required Supplementary Information

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023

Note 1 **Budgetary Procedures and Budgetary Accounting**

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which 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. Supplemental appropriations may occur subject to legal restrictions, if the board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Annual legal budgets are not adopted for the Special Revenue Funds (Special Aid, School Lunch, and Miscellaneous Special Revenue). Budgetary controls for the Special Revenue Funds are established in accordance with the applicable grant agreements. Special Revenue Funds may also cover a period other than the School District's fiscal year.

Note 2 **Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are presented in a separate column and are not included in the actual results at June 30, 2023.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023

Note 3 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability

NYSLRS

Changes in Benefit Terms

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten years to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

NYSTRS

Changes in Benefit Terms

Effective with the 2022 actuarial valuation, the following plan change was effective: The number of years of credited service required for vesting changed from ten years to five years for Tier 5 and 6 members for purposes of eligibility for a service retirement benefit or a deferred-vested benefit.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 61,523,868
Prior Year's Encumbrances	<u>575,606</u>
Original Budget	<u>62,099,474</u>
Budget Revisions:	
Appropriated Reserves	207,246
Capital Interfund Transfer	3,000,000
Gifts and Donations	4,155
Insurance Recovery	<u>12,905</u>
Total Additions	<u>3,224,306</u>
Final Budget	<u><u>\$ 65,323,780</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-2024 Voter Approved Budget	<u><u>\$ 68,620,535</u></u>	
Maximum Allowed (4% of the 2023-2024 Budget)		\$ 2,744,821
General Fund Fund Balance Subject to §1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 2,521,085	
Unassigned Fund Balance	<u>2,684,169</u>	
Total Unrestricted Fund Balance	<u>5,205,254</u>	
(Less):		
Appropriated Fund Balance	\$ 1,650,000	
Encumbrances Included in Committed and Assigned Fund Balance	<u>871,085</u>	
Total Adjustments	<u>2,521,085</u>	
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		<u><u>\$ 2,684,169</u></u>
Actual Percentage		3.91%

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2023

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2023
			Prior Years	Current Year	Transfer to Debt Service Fund	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Buses - 2022-2023	\$ 558,300	\$ 558,300	\$ -	\$ 558,296	\$ 4	\$ 558,300	\$ -	\$ 59,063	\$ -	\$ 499,237	\$ 558,300	\$ -
500k Project												
0008-020	500,000	500,000	-	48,715	-	48,715	451,285	-	-	500,000	500,000	451,285 *
EPC												
7999-005	84,965	-	-	-	-	-	-	-	76,440	-	76,440	76,440 *
2022 Capital Project												
9999-999	799,370	799,370	-	798,874	-	798,874	496	-	-	3,000,000	3,000,000	2,201,126 *
100k Project												
0008-019	100,000	100,000	-	100,000	-	100,000	-	-	-	100,000	100,000	-
Homer Brink Elementary												
0001-018	9,843,160	7,755,379	7,653,736	-	101,643	7,755,379	-	5,355,379	-	2,400,000	7,755,379	-
Homer Brink Elementary												
0001-020	1,468,000	2,236,309	2,236,309	-	-	2,236,309	-	2,236,309	-	-	2,236,309	-
Homer Brink Elementary 21-22 \$100k												
0001-022	100,000	100,000	100,000	-	-	100,000	-	-	-	100,000	100,000	-
Maine Memorial Elementary												
0008-017	489,570	621,391	618,048	3,343	-	621,391	-	621,391	-	-	621,391	-
Senior High School												
0010-025	2,615,230	3,231,431	3,231,431	-	-	3,231,431	-	3,231,431	-	-	3,231,431	-
Senior High School Fire Alarm Project												
0010-026	261,000	261,000	92,535	-	-	92,535	168,465	-	-	220,501	220,501	127,966 *
Middle School												
0015-017	1,646,090	1,369,957	1,369,957	-	-	1,369,957	-	1,369,957	-	-	1,369,957	-
Middle School 20-21 \$100K												
0015-018	100,000	100,000	75,690	-	248	75,938	24,062	-	-	75,938	75,938	-
Middle School Fire Alarm Project												
0015-019	189,000	189,000	96,311	48,553	-	144,864	44,136	-	-	229,499	229,499	84,635 *
Bus Garage												
5003-009	885,950	163,890	163,890	-	-	163,890	-	163,890	-	-	163,890	-
SMART SCHOOLS- HOMER												
0001-019	1,218,758	1,898,939	1,848,243	-	-	1,848,243	50,696	627,803	-	-	627,803	(1,220,440) *
GASB 87												
A999-999	-	145,970	-	145,970	-	145,970	-	145,970	-	-	145,970	-
Unredeemed BANs - Buses												
	-	-	-	-	-	-	-	(1,499,644)	-	-	(1,499,644)	(1,499,644)
Total	\$ 20,859,393	\$ 20,030,936	\$ 17,486,150	\$ 1,703,751	\$ 101,895	\$ 19,291,796	\$ 739,140	\$ 12,311,549	\$ 76,440	\$ 7,125,175	\$ 19,513,164	\$ 221,368

*Architectural and State Approved Budget Modifications for Subproject
Reallocations not yet Finalized and Available at This Report Date.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS JUNE 30, 2023

Capital Assets, Net	<u>\$ 97,670,778</u>
Add:	
Unamortized Deferred Refunding	<u>43,569</u>
(Deduct):	
Bond Anticipation Notes	<u>(1,499,644)</u>
Unamortized Premium on Bonds Payable	<u>(1,971,265)</u>
Short-Term Portion of Bonds Payable	<u>(6,365,000)</u>
Long-Term Portion of Bonds Payable	<u>(22,150,000)</u>
Short-Term Portion of Installment Purchase Debt	<u>(374,818)</u>
Long-Term Portion of Installment Purchase Debt	<u>(5,219,968)</u>
Capital Accounts Payable	<u>(327,409)</u>
Net Investment in Capital Assets	<u><u>\$ 59,806,243</u></u>

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
ASSETS					
Cash - Unrestricted	\$ 39,234	\$ -	\$ -	\$ -	\$ 39,234
Cash - Restricted	-	565,602	100,126	150,016	815,744
Investments - Restricted	-	-	-	488,741	488,741
Due From Other Funds	-	14,749	-	-	14,749
State and Federal Aid	1,736,733	99,600	-	-	1,836,333
Other Receivables	-	231	-	-	231
Inventories	-	33,791	-	-	33,791
Total Assets	\$ 1,775,967	\$ 713,973	\$ 100,126	\$ 638,757	\$ 3,228,823
LIABILITIES					
Accounts Payable	\$ 132,244	\$ 1,455	\$ -	\$ -	\$ 133,699
Accrued Liabilities	5,468	16,369	-	-	21,837
Due to Other Funds	1,354,330	-	-	-	1,354,330
Due to Other Governments	-	486	-	-	486
Unearned Revenues	283,925	23,442	-	-	307,367
Total Liabilities	1,775,967	41,752	-	-	1,817,719
FUND BALANCES					
Nonspendable	-	33,791	-	-	33,791
Restricted	-	638,430	100,126	638,757	1,377,313
Total Fund Balances	-	672,221	100,126	638,757	1,411,104
Total Liabilities and Fund Balances	\$ 1,775,967	\$ 713,973	\$ 100,126	\$ 638,757	\$ 3,228,823

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
REVENUES					
Use of Money and Property	\$ -	\$ 1,060	\$ 987	\$ 26,576	\$ 28,623
Miscellaneous	44,257	2,269	23,152	-	69,678
State Sources	511,250	202,288	-	-	713,538
Federal Sources	4,990,496	997,655	-	-	5,988,151
Surplus Food	-	100,910	-	-	100,910
Sales - School Lunch	-	368,814	-	-	368,814
Total Revenues	5,546,003	1,672,996	24,139	26,576	7,269,714
EXPENDITURES					
General Support	942,620	-	-	-	942,620
Instruction	3,967,686	854,646	18,500	-	4,840,832
Pupil Transportation	55,799	-	-	-	55,799
Employee Benefits	640,672	233,485	-	-	874,157
Cost of Sales	-	614,022	-	-	614,022
Total Expenditures	5,606,777	1,702,153	18,500	-	7,327,430
Excess (Deficiency) of Revenues over Expenditures	(60,774)	(29,157)	5,639	26,576	(57,716)
OTHER FINANCING SOURCES AND (USES)					
Operating Transfers In	60,774	33,439	-	101,895	196,108
Total Other Financing Sources and (Uses)	60,774	33,439	-	101,895	196,108
Net Change in Fund Balances	-	4,282	5,639	128,471	138,392
Fund Balances - Beginning of Year	-	667,939	94,487	510,286	1,272,712
Fund Balances - End of Year	\$ -	\$ 672,221	\$ 100,126	\$ 638,757	\$ 1,411,104



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

Board of Education
Maine-Endwell Central School District
Endwell, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maine-Endwell Central School District (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 8, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 8, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Board of Education
Maine-Endwell Central School District
Endwell, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Maine-Endwell Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of Auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 8, 2023

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass - Through Grantor Program Title	Federal ALN #	Pass - Through Grantor #	Passed Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021-23-0170	\$ -	\$ 543,680
Special Education Cluster:				
Special Education - Grants to States	84.027	0032-23-0056	-	637,899
(COVID-19) Special Education - Grants to States	84.027X	5332-22-0056	-	95,481
Special Education - Preschool Grants	84.173	0033-23-0056	-	14,755
(COVID-19) Special Education - Preschool Grants	84.027X	5533-22-0056	-	5,040
Total Special Education Cluster			-	753,175
Supporting Effective Instruction State Grants	84.367	0147-23-0170	-	73,354
Title IV Student Support and Academic Enrichment Program	84.424	0204-23-0170	-	38,249
Title IV Student Support and Academic Enrichment Program	84.424	0204-22-0170	-	198
		Subtotal	-	38,447
Education Stabilization Fund:				
(COVID-19) Governor's Emergency Education Relief Fund	84.425C	5896-21-0170	-	96,410
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-0170	-	1,135,925
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5883-21-0170	-	103,136
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-0170	-	645,294
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5870-22-9176	-	442,979
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-0170	-	849,402
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5882-21-0170	-	66,345
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425W	5218-21-0170	-	1,750
		Subtotal	-	3,341,241
Total U.S. Department of Education			-	4,749,897
U.S. Department of Agriculture				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	(1)	-	377,322
National School Lunch Program	10.555	(1)	-	598,060
Summer Food Service Program	10.559	(1)	-	34,790
Total Child Nutrition Cluster			-	1,010,172
Direct Programs:				
(COVID-19) Pandemic EBT Food Benefits	10.542	N/A	-	2,512
(COVID-19) Pandemic EBT Administrative Costs	10.649	N/A	-	85,881
Farm to School Grant Program	10.575	N/A	-	33,828
Total U.S. Department of Agriculture			-	1,132,393
Department of Justice				
STOP School Violence	16.839	N/A	-	206,771
Total Department of Justice			-	206,771
Total Expenditures of Federal Awards			\$ -	\$ 6,089,061

(1) Unknown

See Notes to Schedule of Expenditures of Federal Awards

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

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

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs administered by the Maine-Endwell Central School District, an entity as defined in Note 1 to the Maine-Endwell Central School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 Basis of Accounting

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

Note 3 Indirect Costs

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The Maine-Endwell Central School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 Matching Costs

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

Note 5 Non-Monetary Federal Program

The Maine-Endwell Central School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2023, the Maine-Endwell Central School District received \$100,910 worth of commodities under the National School Lunch Program (ALN #10.555).

Note 6 Subrecipients

No amounts were provided to subrecipients.

Note 7 Other Disclosures

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

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes √ no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? ___ yes √ none reported

Noncompliance material to financial statements noted? ___ yes √ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes √ no

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? ___ yes √ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with Uniform Guidance §200.516(a)? ___ yes √ no

Identification of major programs:

ALN Numbers	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B
Programs: \$ 750,000

Auditee qualified as low-risk? ___ yes √ no

Section II Financial Statement Finding None.

Section III Federal Award Findings and Questioned Costs None.