PRELIMINARY OFFICIAL STATEMENT DATED MAY 23, 2025

NEW ISSUE/RENEWALS **BOND ANTICIPATION NOTES**

In the opinion of Bond Counsel, under the existing statutes, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes, and, under the existing statutes, interest on the Bonds and Notes is exempt from New York State and New York City personal income taxes. In the opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of Federal alternative minimum tax; 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. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. See "Tax Exemption" herein.

The Notes WILL NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

AUBURN ENLARGED CITY SCHOOL DISTRICT
CAYUGA COUNTY, NEW YORK

$19,495,000
Bond Anticipation Notes, 2025
(the "Notes")

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

The Notes are general obligations of the Auburn Enlarged City School District, Cayuga County, New York, 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, subject to applicable statutory limitations. See "Nature of the Obligation" and "Tax Levy Limitation Law" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

The Notes will be dated June 25, 2025 and will mature, without option of prior redemption, on June 25, 2026.

At the option of the Purchaser(s), the Notes will be issued as registered notes payable to the Purchaser(s) or registered in the names 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.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, one fully registered note certificate will be issued for each maturity of the Notes.

If the Notes are issued in registered in book-entry form, 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. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, and payment of 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 Participants, subject to any statutory and regulatory requirements as may be in the 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 an unqualified legal opinion as to the validity of the Notes of Timothy R. McGill, Esq., Fairport, New York. It is anticipated that the Notes will be available for delivery on or about June 25, 2025.

Facsimile or telephone bids will be received TUESDAY, June 3, 2025 until 10:30 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, 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 NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS REQUIRED BY SAID RULE.

DATED: May 23, 2025

AUBURN ENLARGED CITY SCHOOL DISTRICT
CAYUGA COUNTY, NEW YORK

School District Officials

2024-25 BOARD OF EDUCATION

Dr. Eliezer Hernandez- President
Danielle Wood - Vice President

Matteo Bartolotta
CJ Calarco
Melissa Deyneka
Daniel Lovell
Noel Romeo
Jim Van Arsdale
Freddie Wilson III

Dr. Misty Slavic - Superintendent of Schools
Tessa Crawford – Business Executive
Lisa Camardo – School Treasurer
Michelle Major – District Clerk

School District Attorney

Ferrara Fiorenza PC

BOND COUNSEL

Timothy R. McGill, Esq.

MUNICIPAL ADVISOR

R. G. Timbs, Inc.

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

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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

AUBURN ENLARGED CITY SCHOOL DISTRICT
ONEIDACOUNTY, NEW YORK

Relating To

$19,495,000
Bond Anticipation Notes, 2025
(the "Notes")

This Official Statement, which includes the cover page, has been prepared by the Auburn Enlarged City School District, Cayuga County, New York (the "District" or "School District", "County" and "State," respectively) in connection with the sale by the District of its $19,495,000 Bond Anticipation Notes, 2025 (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's 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 form of the Notes and such proceedings.

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 School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount.

The Notes are dated June 25, 2025 and mature, without option of prior redemption, June 25, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered notes and, at the option of the purchaser, may be registered to the Depository Trust Company ("DTC") or may be registered in the name of the purchaser.

If the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds by the District.

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a bond resolution dated October 23, 2018, authorizing the issuance of obligations of the District in the amount of $43,700,000 to finance certain capital improvements consisting of reconstruction of school buildings and facilities within the School District.

The proceeds of the Notes, along with $470,000 available funds of the District, will renew the $19,965,000 Bond Anticipation Note maturing June 26, 2025.

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 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.

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

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

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

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in <u>Flushing National Bank v. Municipal Assistance Corporation for the City of New York</u>, 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.

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 Notes 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, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com 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 affect 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 of them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults and proposed amendments to the Notes documents. For example. Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments 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-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

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

Source: The Depository Trust Company

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

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

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

Certificated Notes

In the event the purchaser does not request the DTC book-entry-only system apply to the Notes on the date of initial issuance thereof, or in the event that book-entry only system is requested but subsequently discontinued by either DTC or the District, the following provisions will apply: The Notes will be issued registered in the name of the purchaser in denominations of $5,000 each or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as a 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 Auburn Enlarged City School District (the "School District"), has a land area of approximately 38 square miles and is located in upstate New York in the geographical location known as Central New York. The School District centers around the City of Auburn and is wholly within the County of Cayuga. The City of Syracuse lies 25 miles to the east and the City of Rochester approximately 55 miles to the west.

Major highways through the School District include U.S. #20 and State highways #5, 34 and 38. An exit of the New York State Thruway is located less than 10 miles north of the School District. Exits to Interstate Highway #81, which extends from Canada through Pennsylvania, are located within 20 miles of the School District. The Syracuse Hancock International Airport serves the residents with air transportation via American, US Air, Delta, United Airlines and various commuter lines.

Electricity is provided to School District residents by New York State Electric & Gas Corporation and telephone service is provided by Verizon New York, Inc. and AT&T.

District Population

The 2023 population of the School District is estimated to be 31,880. (Source: 2023 U.S. Census Bureau estimate)

Economic Developments

Cayuga County is exploring options to benefit from the major Microchip Plant coming to Onondaga County. The District expects larger residential and commercial projects based on the Micro Plant being built in Onondaga County, but no specific plans have been made public.

Bimbo Bakeries announced they closed September 2024.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
City of:						
Auburn	$20,874	$22,163	$29,474	$52,556	$53,813	$62,422
Towns Of:						
Aurelius	29,332	28,869	$45,073	68,710	70,682	103,281
Fleming	31,395	35,434	49,464	63,676	75,813	105,833
Owasco	35,017	42,298	58,111	83,929	92,784	118,125
Sennett	26,359	34,351	46,130	67,287	92,993	132,105
County Of:						
Cayuga	22,959	26,596	36,547	58,761	65,261	85,449
State Of:						
New York	30,948	34,212	49,520	67,405	74,036	105,060

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

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

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Seward Elementary	K-6	1955	3,944	2014
Owasco Elementary	K-6	1958	2,710	2021
Herman Avenue Elementary	K-6	1948	2,714	2021
Genesee Elementary	K-6	1952	2,517	2021
Casey Park Elementary	K-6	1963	2,508	2021
Auburn Junior High School	7-8	1932	5,068	2021
Auburn High School	9-12	1970	11,254	2017

Source: District Official

District Employees

The District employs a total of 689 full-time and 41 part-time employees with representation by the various bargaining units listed below

Bargaining Unit	Employees	Expiration Date
Auburn Teachers' Association	456	6/30/2026
General Services/SEIU	20	6/30/2028
Auburn Administrators	27	6/30/2026
Auburn Educational Secretaries and Para-Professionals	169	6/30/2028
Civil Service Employees' Association	43	6/30/2029
Confidential	10	N/A
Contracted	5	N/A

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2020-21	3,958	2025-26	3,735
2021-22	3,840	2026-27	3,735
2022-23	3,789	2027-28	3,735
2023-24	3,780	2028-29	3,735
2024-25	3,735	2029-30	3,735

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement -System ("ERS"). Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. 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 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.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

• Raising the minimum age an individual can retire without penalty from 55 to 57 years.

• Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.

• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

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

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2024-2025 and 2025-2026 fiscal years are as follows:

Fiscal Year	ERS	TRS
2019-2020	833,374	2,687,065
2020-2021	962,835	2,787,398
2021-2022	644,467	3,162,536
2022-2023	632,176	3,550,268
2023-2024	765,481	3,563,165
2024-2025 (Budgeted)	795,275	3,935,746
2025-2026 (Budgeted)	1,107,848	3,917,588

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

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

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

A chart of average ERS and TRS rates as a percent of payroll (2020-2021 to 2025-2026) is shown below:

Fiscal Year	ERS	TRS
2020-2021	14.6%	9.53%
2021-2022	16.2	9.8
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11
2025-2026*	16.5	9.59*

*Estimated

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

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

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

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers; but will require higher than normal contributions in later years.

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

The State’s 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such 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 did establish a TRS Reserve Fund on June 30, 2019 with a $554,000 contribution. No new contributions were made in the 2019-20 fiscal year. Additional contributions of $560,967 and $584,973 were made in the 2020-21 and 2021-22 fiscal years and $650,000 made in the 2022-23 fiscal year. There was an additional contribution of $500,000 made in the 2023-24 fiscal year.

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.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits 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. OPEB consists 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 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated June 30, 2024 and financial data as of June 30, 2024, the School District's beginning year total OPEB liability was $183,707,191 the net change for the year was ($5,885,779) resulting in a total OPEB liability of $177,821,412 for a fiscal year ending June 30, 2024. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2024 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers

Name	Nature of Business	Estimated Number of Employees
Auburn Community Hospital	Health/Medical	915
Auburn Correctional Facility	New York State Prison	802
Cayuga County	Municipality	759
Auburn Enlarged City School District	Public Education	730
Wegmans Food Markets, Inc.	Grocery Store	404

Source: District Officials

Unemployment Rate Statistics

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

Year	Cayuga County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2020	7.9%	10.0%	8.3%
2021	4.7%	6.9%	5.3%
2022	3.4%	4.3%	3.5%
2023	3.6%	4.2%	3.6%
2024	3.7%	4.3%	4.0%

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

2024-2025 Monthly Figures

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Cayuga County	3.5%	3.2%	3.4%	4.1%	3.9%	3.1%	3.2%	3.3%	3.6	4.6%	4.9%	4.3%
New York State	3.9%	4.0%	4.3%	4.8%	4.8%	4.0%	4.2%	4.2%	4.2	4.6%	4.3%	4.1%

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

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 or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

Form of School Government

The Board of Education, the policy-making body of the School District, consists of nine members with overlapping three-year terms so that an equal number is elected to the Board each year. The President and the Vice President are selected by the Board members.

The duties of the administrative officers of the School District include the implementation of the policies of the Board of Education and the supervision of the operation of the school system.

Budgetary Procedures

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

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

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

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

The budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 1,566 to 930. The School District's 2022-23 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023 by a vote of 875 to 703. The School District's 2023-24 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 977 to 852. The School District's 2024-25 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2025-26 fiscal year, approximately 61.34% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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.

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State budget which was not adopted until May 3, 2023 and the 2024-25 State budget which was not adopted until April 20, 2024. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State –

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

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

State Aid History

The State's 2020- 2021 Enacted Budget - 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 come in below 99% of estimates or if actual disbursements exceed 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.

The State 2021-22 Budget included $29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, 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 are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be 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 are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts where applicable.

The State 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist 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 allocates $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 2022-23 Enacted Budget increases 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.

The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges 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.

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.

School district fiscal year (2025–2026): On January 21, 2025, Governor Hochul released her 2025 - 2026 Executive Budget. The Executive Budget provides for a total of $37.4 billion in school aid, with $26.4 billion being in foundation aid (a 5.9% increase from last year), $3.3 billion in building aid, $2.7 billion in transportation aid, and $1.2 billion in prekindergarten aid (the total of building aid, transportation aid, and prekindergarten aid accounting for an aggregate increase of 2.2% since last year). A final budget is scheduled to be approved by April 1, 2025 (the start of New York State's fiscal year). Foundation aid is New York State's main education operating aid formula. It is focused on allocating New York State funds equitably to all school districts, especially high need districts, based on student need, community wealth, and regional cost differences. As stated above, the Executive Budget provides a 5.9% increase (amounting to a $1.4 billion total increase since last year) in Foundation Aid for the 2025 school year. Foundation aid is intended mainly to support districts' instructional costs. It is the largest aid type within the school aid budget categories. Building aid is considered an expense-based type of aid. The Executive Budget allocates $3.3 billion in building aid for the 2025 school year.

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity 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 Campaign for Fiscal Equity 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 has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State 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 Campaign for Fiscal Equity cases, and has been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create and equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid, The new settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of existing shortfall
- FY 2023: Approximately $21.3 billion, cover 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 following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for 2024-25 and 2025-26 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$77,273,907	$42,182,149	54.59%
2020-2021	79,952,946	42,885,813	53.64
2021-2022	82,797,232	45,741,764	55.25
2022-2023	89,477,496	50,603,331	56.55
2023-2024	101,932,496	60,449,860	59.30
2024-2025 (Budgeted)	101,124,161	61,302,234	60.62
2025-2026 (Budgeted)	104,823,677	64,295,142	61.34

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

Fiscal Stress Monitoring

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

The fiscal stress scores are based on financial information submitted as part of each School District's ST-3 report filed yearly with the State Education Department. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the OSC system creates an overall fiscal stress score which classifies whether a district 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 State Comptroller for the past five fiscal years if the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	3.3
2023	No Designation	0.0
2022	No Designation	3.3
2021	No Designation	16.7
2020	No Designation	6.7

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on November 3, 2017. The purpose of the audit was to review the District's employee compensation and benefits transactions with the aid of computer-assisted auditing techniques for the period of July 1, 2015 through July 5, 2017.

Key Findings

- District officials have generally established effective payroll-related policies and procedures but have not established formal and adequate policies and procedures related to the processing of payroll outside of normal pay dates.

- District officials did not develop policies or procedures related to the periodic review and reconciliation of payroll withholdings, deductions and contributions, to ensure accuracy.

Key Recommendations

- Develop adequate and formal policies and procedures requiring employees to submit payroll information on time to avoid the necessity for interim payrolls.

- Develop appropriate policies and procedures to ensure that periodic review and reconciliations of payroll withholdings, including deductions and contributions, are performed to verify the accuracy of calculations and reports.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

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

Other Information

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

No principal or interest upon any obligation of the School District is past due.
The fiscal year of the School District is from July 1 to June 30.

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2024 and may be found attached hereto as Appendix B.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York 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 National Committee on Government Accounting.

TAX INFORMATION

Assessed and Full Valuations

	2021	2022	2023	2024	2025
Assessed Valuations:					
City of Auburn*	$ 1,065,093,763	$ 1,066,005,364	$ 1,272,259,671	$ 1,276,294,543	$ 1,293,590,729
Town of Aurelius*	22,031	22,029	28,929	28,938	28,935
Town of Fleming*	176,752,503	177,865,916	179,181,376	180,265,502	292,998,268
Town of Owasco	283,789,317	285,291,074	286,199,576	288,340,405	287,681,754
Town of Sennett	111,252,478	110,995,401	111,506,286	113,405,627	113,116,284
Total	$ 1,636,910,092	$ 1,640,179,784	$ 1,849,175,838	$ 1,858,335,015	$ 1,987,415,970
Equalization Rates:					
City of Auburn*	100.00%	100.00%	100.00%	96.00%	88.00%
Town of Aurelius*	83.00%	81.00%	100.00%	90.00%	83.00%
Town of Fleming*	100.00%	100.00%	92.00%	74.00%	100.00%
Town of Owasco	73.00%	72.00%	63.00%	57.00%	51.00%
Town of Sennett	92.00%	90.00%	78.00%	72.00%	70.00%
Full Valuations:					
City of Auburn*	$ 1,065,093,763	$ 1,066,005,364	$ 1,272,259,671	$ 1,329,473,482	$ 1,469,989,465
Town of Aurelius*	26,543	27,196	28,929	32,153	34,861
Town of Fleming*	176,752,503	177,865,916	194,762,365	243,602,030	292,998,268
Town of Owasco	388,752,489	396,237,603	454,285,041	505,860,360	564,081,871
Town of Sennett	120,926,607	123,328,223	142,956,777	157,507,815	161,594,691
Total	$ 1,751,551,905	$ 1,763,464,302	$ 2,064,292,783	$ 2,236,475,840	$ 2,488,699,156

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

Note: * The City of Auburn and the Town of Aurelius had a re-evaluation in 2022. The Town of Fleming had a re-evaluation in the 2024 year.

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
City of Auburn	$ 18.56	$ 18.96	$ 16.92	$ 16.28	$ 16.27
Town of Aurelius	22.36	23.41	16.05	17.36	17.26
Town of Fleming	18.54	18.96	17.46	21.12	14.32
Town of Owasco	25.42	26.33	25.54	27.39	28.08
Town of Sennett	20.17	21.06	20.62	21.70	20.46

Tax Collection Procedure

Taxes of the School District are collected by the School District Tax Collector during the collection periods. Real property taxes are levied no later than September 1 and may be paid in full until October 2 without penalty; or, may be paid in two installments, with the first payment due October 2 and the second installment due December 5. If taxes are not paid by October 2, or in installments, penalties are 1% if paid by November 2 and 2% if paid by December 5. On December 6, the uncollected portions are returned to the City and County tax enforcement officers and an additional 5% fee is added to unpaid taxes.

Taxes remaining uncollected after the expiration of the second collection period are returned to the County Treasurer and City Treasurer, who reimburse the School District in full for uncollected taxes prior to the end of the fiscal year for which taxes are levied.

The respective tax enforcement officers will pay to the School District all moneys realized from the collection of unpaid taxes, including interest, less the 5% amount added thereto. If the City or County bids on any property with taxes due, the School District shall receive the amount of unpaid taxes, plus interest, less 5% added thereto.

Tax Collection Record

Fiscal Year Ended June 30:	2021	2022	2023	2024	2025*
General Fund Tax Levy	$32,506,722	$33,431,783	$34,267,578	$34,949,504	$35,644,998
Omissions/Loss of Exemptions - Prior Years	0	0	0	0	0
Total Levy for All Purposes	$32,506,722	$33,431,783	$34,267,578	$34,949,504	$35,644,998
Excess/(Deficit) on Tax Rolls	0	0	0	0	0
Taxes Cancelled	(1,096)	(11,574)	(2,272)	(2,228	0
Net Taxes on Roll	$32,505,626	$33,420,209	$34,265,306	$34,947,276	$35,644,998
STAR Program	3,921,921	3,740,800	3,546,188	3,283,206	3,112,568
Net Taxes After STAR Program	$28,583,705	$29,679,409	$30,719,118	$31,664,070	$32,532,430
Taxes Collected Prior to Return	26,696,361	27,500,744	28,455,584	29,560,864	30,279,311
Uncollected Date of Return	$1,887,344	$2,178,665	$2,263,534	$2,103,206	$2,253,119
Percentage Collected Prior to Return	93.40%	92.66%	92.63%	93.36%	93.07%

Note: * Collection information is as of 12/10/2024.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 77,273,907	$ 27,813,448	35.99%
2020-2021	79,952,946	28,578,654	35.74
2021-2022	82,797,232	29,607,381	35.76
2022-2023	89,477,496	30,719,128	34.33
2023-2024	101,932,496	31,676,232	31.08
2024-2025 (Budgeted)	101,124,161	35,947,681	35.55
2025-2026 (Budgeted)	104,823,677	36,803,460	35.11

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

Major Taxpayers 2024

For 2024-25 Tax Roll

Name	Type	Assessed Value
NYSEG	Utilities	$86,163,952
Auburn Associates LLC	Transportation	17,483,200
Walmart Inc.	Grocery	13,500,000
Pruzansky Auburn Trust	Personal	12,683,400
RM11A Holdings LLC	Housing	9,141,600
Verizon	Utilities	8,502,948
Auburn Hotel Ventures, LLC	Hotel	7,503,000
Wegman Food Market, Inc.	Grocery	4,720,200
Buckeye Pipeline Co	Infrastructure	4,126,317
JKT Hotels, LLC	Hotel	4,000,000
Total		$167,824,617

1. The above taxpayers represent 8.44% of the School District's 2024-25 Assessed value of $1,987,415,970

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2024, is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of $93,200 or less in 2023 and $98,700 or less in 2024, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first $81,400 for the 2023-24 school year and the first $84,000 for the 2024-25 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of $250,000 ($500,000 in the case of a STAR Credit, as discussed below) are eligible for a $30,000 “full value” exemption on their primary residence.

The 2022-23 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 were eligible for the property tax rebate where the benefit was a percentage of the homeowners’ existing STAR benefit.

Real Property Tax Rebate

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

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

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

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

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

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy 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").

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Debt Limit. The District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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

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

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

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

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

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the 30 power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

Statutory law in the State 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 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue, tax anticipation, budget and capital notes.

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Serial Bonds	$ 23,730,000	$ 20,970,000	$ 39,220,000	$ 35,705,000	$ 32,105,000
Bond Anticipation Notes	9,000,000	22,950,000	-	13,900,000	19,965,000
Energy Performance Contracts	6,871,538	6,081,038	5,244,044	4,418,361	3,857,825
Total Debt Outstanding	$ 39,601,538	$ 50,001,038	$ 44,464,044	$ 54,023,361	$ 55,927,825

Status of Outstanding Bond Issues

Year of Issue:	2014		2014	
Amount Issued:	$8,545,000		$9,270,000	
Purpose/Instrument:	DASNY SB		RSB	
Fiscal Year Ending June 30:			Principal	Interest
2025	$ 650,000	$ 180,250	$ 560,000	$ 166,787
2026	685,000	147,750	565,000	141,588
2027	720,000	113,500	560,000	118,987
2028	755,000	77,500	555,000	96,588
2029	795,000	39,750	550,000	75,775
2030	-	-	545,000	56,525
2031	-	-	540,000	37,450
2032	-	-	530,000	18,550
Totals:	$ 3,605,000	$ 558,750	$ 4,405,000	$ 712,250

Year of Issue:	2017		2018	
Amount Issued:	$4,579,093		$1,745,000	
Purpose/Instrument:	Reconstruction/SB		Reconstruction/SB	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2025	$ 290,000	$ 68,650	$ 110,000	$ 34,050
2026	295,000	62,850	115,000	30,750
2027	295,000	56,950	120,000	27,300
2028	310,000	51,050	120,000	23,700
2029	320,000	43,300	125,000	20,100
2030	330,000	34,500	130,000	16,350
2031	335,000	24,600	135,000	12,450
2032	345,000	14,550	140,000	8,400
2033	140,000	4,200	140,000	4,200
Totals:	$ 2,660,000	$ 360,650	$ 1,135,000	$ 177,300

Year of Issue:	2021	
Amount Issued:	$1,925,000	
Purpose/Instrument:	Reconstruction/SB	
Fiscal Year Ending June 30:	Principal	Interest
2025	$ 260,000	$ 45,600
2026	280,000	35,200
2027	290,000	24,000
2028	300,000	12,400
2029	20,000	400
Totals:	$ 1,150,000	$ 117,600

Year of Issue:	2022		2022	
Amount Issued:	$13,515,000		$7,435,000	
Purpose/Instrument:	Reconstruction/ DASNY SB		Reconstruction/DASNY SB	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2025	$ 680,000	$ 621,500	$ 425,000	$ 336,000
2026	705,000	587,500	435,000	314,750
2027	740,000	552,250	445,000	293,000
2028	750,000	515,250	500,000	270,750
2029	825,000	477,750	450,000	245,750
2030	850,000	436,500	470,000	223,250
2031	875,000	394,000	495,000	199,750
2032	920,000	350,250	520,000	175,000
2033	980,000	304,250	550,000	149,000
2034	1,035,000	255,250	560,000	121,500
2035	1,080,000	203,500	595,000	93,500
2036	1,120,000	149,500	630,000	63,750
2037	905,000	93,500	645,000	32,250
2038	460,000	48,250	-	-
2039	505,000	25,250	-	-
	$ 12,430,000	$ 5,014,500	$ 6,720,000	$ 2,518,250

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2025	2,975,000	1,452,837	4,427,837	10.65%
2026	3,080,000	1,320,388	4,400,388	21.24%
2027	3,170,000	1,185,987	4,355,987	31.72%
2028	3,290,000	1,047,238	4,337,238	42.16%
2029	3,085,000	902,825	3,987,825	51.75%
2030	2,325,000	767,125	3,092,125	59.19%
2031	2,380,000	668,250	3,048,250	66.52%
2032	2,455,000	566,750	3,021,750	73.79%
2033	1,810,000	461,650	2,271,650	79.26%
2034	1,595,000	376,750	1,971,750	84.00%
2035	1,675,000	297,000	1,972,000	88.75%
2036	1,750,000	213,250	1,963,250	93.47%
2037	1,550,000	125,750	1,675,750	97.50%
2038	460,000	48,250	508,250	98.72%
2039	505,000	25,250	530,250	100.00%
Totals:	$ 32,105,000	$ 9,459,300	$ 41,564,300	

Energy Performance Lease Financings

Year of Issue: 2009

Amount Issued: $1,710,500

Purpose/Instrument: EPC Equipment Phase III

Fiscal Year Ending June 30:	Principal	Interest
2025	$ 158,546	$ 6,102
Totals:	$ 158,546	$ 6,102

Year of Issue: 2013

Amount Issued: $2,161,710

Purpose/Instrument: EPC Equipment Phase IV

Fiscal Year Ending June 30:	Principal	Interest
2025	$ 159,121	$ 30,880
2026	165,177	24,825
2027	171,462	18,539
2028	177,988	12,014
2029	184,761	5,240
Totals:	$ 858,509	$ 91,498

Year of Issue:	2016		2019	
Amount Issued:	$2,036,699		$2,090,096	
Purpose/Instrument:	EPC Equipment Phase V		EPC Equipment Phase	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2025	$ 135,102	$ 26,566	$ 127,501	$ 39,244
2026	138,268	23,400	130,578	36,166
2027	141,509	20,159	133,731	33,014
2028	144,825	16,843	136,959	29,785
2029	148,219	13,449	140,265	26,479
2030	151,693	9,975	143,652	23,093
2031	155,248	6,420	147,120	19,625
2032	158,886	2,782	150,671	16,073
2033	-	-	154,308	12,436
2034	-	-	158,034	8,711
2035	-	-	161,849	4,896
2036	-	-	82,383	988
Totals:	$ 1,173,750	$ 119,594	$ 1,667,051	$ 250,510

Total Energy Performance Lease Financings Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2025	$ 580,270	$ 102,792	$ 683,062	15.79%
2026	434,023	84,391	518,414	27.78%
2027	446,702	71,712	518,414	39.76%
2028	459,772	58,642	518,414	51.75%
2029	473,245	45,168	518,413	63.73%
2030	295,345	33,068	328,413	71.32%
2031	302,368	26,045	328,413	78.92%
2032	309,557	18,855	328,412	86.51%
2033	154,308	12,436	166,744	90.36%
2034	158,034	8,711	166,745	94.22%
2035	161,849	4,896	166,745	98.07%
2036	82,383	988	83,371	100.00%
Totals:	$ 3,857,856	$ 467,704	$ 4,325,560	

Status of Short-Term Indebtedness

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN	6/26/2024	6/26/2025	4.00%	$19,965,000*

*To be renewed with the proceeds from the BAN, together with $470,000 available funds.

Cash Flow Borrowings

Within the past five years, the School District has not issued Revenue or Tax Anticipation Notes and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

On January 8, 2019, the voters approved a $43,700,000 capital project for the reconstruction of School buildings and facilities. Phase 1A of the project received approval from the State Education Department in January 2020. The first borrowing against said authorization was June 23, 2020, and provided $9,000,000 in new monies for the aforementioned purpose. On June 22,2021, the District issued a $22,950,000 BAN. This was the second borrowing against said authorization provided $14,500,000 in new money for the aforementioned purpose. On June 15, 2022, the School District issued 20,950,000 Serial Bonds with DASNY. On July 2. 2022, the District issued $6,000,000 BAN. This borrowing provided $6,000,000 of new money for the aforementioned purpose. The District issued a $13,900,000 BAN on June 27, 2023. The proceeds of those Notes provided $7,900,000 in new money for the aforementioned purpose. The District issued a $19,965,000 Bond Anticipation Note June 26, 2024. The proceeds of the Notes along with $235,000 available funds of the District, renewed the $13,900,000 Bond Anticipation Note maturing June 27, 2024 and provided $6,300,000 of new monies. The District issued a $19,965,000 Bond Anticipation note June 26, 2024. The proceeds of this note along with $470,000 of available funds will renew the $19,965,000 Bond Anticipation Note maturing June 26, 2025.

Building Aid Estimate

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. The District has not applied for such estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 86.5%

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.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. 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 outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 22, 2025

City/Town		Assessed Valuation	Equalization Rates [1]		Equalized Value
Auburn	$	1,293,590,729	88.00%	$	1,469,989,465
Aurelius	$	28,935	83.00%	$	34,861
Fleming	$	292,998,268	100.00%	$	292,998,268
Owasco	$	287,681,754	51.00%	$	564,081,871
Sennett	$	113,116,284	70.00%	$	161,594,691
Total:				$	2,488,699,156

Debt Limit: 10% of Full Valuation	$	248,869,916
Inclusions:		
Serial Bonds	$	32,105,000
Bond Anticipation Notes		19,965,000
Energy Performance Contracts		4,418,393
Total Inclusions:	$	56,488,393
Exclusions:		
Building Aid Estimate	$	-
Refunded Bonds		-
Total Exclusions:	$	-
Total Net Indebtedness Before Giving Effect to This Issue:	$	56,488,393
New Monies This Issue:		-
Total Net Indebtedness After Giving Effect to This Issue	$	56,488,393
Net Debt Contracting Margin	$	192,381,523
Percentage of Debt-Contracting Power Exhausted		22.70%

Notes: 1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building 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 and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Cayuga	$ 2,488,699,156					
County	$ 5,980,636,257	41.61%	$ 45,159,654	N/A	$ 45,159,654	$ 18,792,113
City of	$ 1,469,989,465					
Auburn	$ 1,469,989,465	100.00%	$ 96,628,059	N/A	$ 96,628,059	$ 96,628,059
Town of	$ 34,861					
Aurelius	$ 286,723,220	0.01%	$ 4,843,935	N/A	$ 4,843,935	$ 589
Town of	$ 292,998,268					
Fleming	$ 292,998,268	100.00%	$ 2,446,520	N/A	$ 2,446,520	$ 2,446,520
Town of	$ 564,081,871					
Owasco	$ 564,081,871	100.00%	$ 12,172,973 *	N/A	$ 12,172,973	$ 12,172,973
Town of	$ 161,594,691					
Sennett	$ 417,496,469	38.71%	$ -	N/A	$ -	$ -
Total						$ 130,040,254

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2023.

Notes: Bonds and Bond Anticipation notes as of 2024 fiscal year. Not adjusted to include subsequent bond and note sales.

*Bonds and Bond Anticipation notes as of 2021 fiscal year. Town did not file in the 2022 fiscal year.

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 22, 2025:
:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness	$ 56,488,393	$ 1,771.91	2.270%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 186,528,647	$ 5,850.96	7.495%

(a) The District's estimated population is 31,880. (Source: 2023 U.S. Census Bureau estimate)
(b) The District's full valuation of taxable real estate for 2024-25 is $2,488,699,156.

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. 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 the 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, 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 Bond 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 enforces 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 judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centrum 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 judgement, although judicial mandates have been issued to officials to appropriate and pay judgements our of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such a 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 or 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 VII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of an 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.

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 continuations 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 has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

The financial and economic 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 and 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 other jurisdiction 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").

Cyber Security

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operation controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard again cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

TAX EXEMPTION

The delivery of the Notes is subject to the opinion of Bond Counsel to the effect that interest on the Notes for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) is not a specific preference item for purposes of the federal alternative minimum tax; 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. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate (the "Tax Certificate") dated the date of delivery of the Notes pertaining to the use, expenditure, and investment of the proceeds of the Notes and will assume continuing compliance by the District with the provisions of the Tax Certificate subsequent to the issuance of the Notes. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Notes and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Notes are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Notes to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Notes is commenced, under current procedures the IRS is likely to treat the District as the "taxpayer," and the owners of the Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the District may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law 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).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances. Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinions of Timothy R. McGill Esq., Fairport, New York, Bond Counsel, each to the effect that the Notes as the case may be, are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitations as to rate or amount, the interest on the Notes is excluded from gross income for federal income tax purposes and 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 and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest of the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion will state that (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy, or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstance that may thereafter come to their attention or any changes in law.

The proposed form of such opinion is attached hereto as Appendix C.

LITIGATION

The District is regularly subject to claims in the ordinary course of operation. It is not expected at this time such claims will have a material impact on the financial condition of the District. A Child Victims Act claim was filed in Cayuga County Supreme Court, Index No. E2019-1146. The plaintiffs in the case have filed a notice to appeal from a Supreme Court decision dismissing the claim.

Additionally, there are several Tax Certiorari proceedings which are pending. The District encounters these claims in the normal course of operation. It is not believed that the Tax Certiorari claims individually, or together, will adversely impact the financial condition of the District.

There is no other 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 School District, threatened against or affecting the School District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the School District.

RATINGS

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX - D" herein.)

The most recent underlying rating assigned to the School District by S&P Global Ratings, a division of the McGraw-Hill Companies, Inc., is an A+ rating, which was assigned in connection with the issuance by the School District of $1,925,000 School District (Serial) Bonds dated March 10, 2021.

A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the District's outstanding serial bonds may have an adverse effect on the market price of the bonds.

CONTINUING DISCLOSURE COMPLIANCE

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 pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Material Event Notices, the description of which is attached hereto as “Appendix D”.

The District is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-1.

MUNICIPAL ADVISOR

R.G. Timbs, Inc.is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal 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 and has reviewed and commented on certain legal documents, including this Official Statement. 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.

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

Timothy R. McGill, Esq., 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. reference or constitutes a part of this Official Statement. R.G. Timbs, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website.

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific.

The School District's contact information is as follows: Tessa Crawford, Business Executive, phone: (315) 255-8808; email: tessacrawford@aecsd.education.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 x 5 or at www.RGTimbsInc.net.

Auburn Enlarged City School District

Dated: May 23, 2025
Auburn, New York

Dr. Eliezer Hernandez
President of the Board of Education
and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024	Budget 2025	
Beginning Fund Balance - July 1	$11,696,066	$16,189,147	$20,371,343	$24,287,273	$27,188,632	$33,872,274	E
Revenues:							
Real Property Taxes	$27,813,448	$28,578,654	$29,607,381	$30,719,128	$31,676,232	$35,947,681	
Other Tax Items	4,821,712	4,618,801	4,460,191	4,236,722	3,979,748	621,246	
Charges for Services	205,572	105,508	212,442	122,055	61,544	118,500	
Use of Money & Property	199,927	167,186	50,556	424,969	1,298,353	409,000	
Sale of Property/Comp. for Loss	86,894	3,715	80,867	90,221	27,514	20,500	
Miscellaneous	1,588,361	1,991,837	2,281,595	2,436,541	2,213,613	1,850,000	
Interfund Revenue	0	0	0	0	0	0	
State Aid	42,182,149	42,885,813	45,741,764	50,603,331	60,449,860	61,307,234	
Federal Aid	375,844	1,601,432	362,446	441,926	492,876	350,000	
Interfund Transfer	0	0	978,908	402,603	1,732,756	0	
Total Revenues	$77,273,907	$79,952,946	$83,776,150	$89,477,496	$101,932,496	$100,624,161	
Expenditures:							
General Support	$7,967,996	$7,811,252	$8,545,975	$9,439,730	$12,778,206	$10,974,787	
Instruction	40,328,904	41,976,363	43,626,732	46,548,762	48,998,260	58,210,646	
Transportation	2,435,420	2,214,511	3,162,309	3,483,197	3,642,673	4,105,818	
Employee Benefits	17,445,475	18,681,376	17,497,071	18,972,208	20,122,205	24,728,021	
Debt Service	4,521,962	5,087,248	6,499,506	7,927,172	7,869,319	6,239,900	
Capital outlay	0	0	0	0	1,738,191	0	
Interfund Transfer	81,069	0	528,627	205,068	100,000	100,000	
Total Expenditures	$72,780,826	$75,770,750	$79,860,220	$86,576,137	$95,248,854	$104,359,172	
Adjustments	0						
Year End Fund Balance	$16,189,147	$20,371,343	$24,287,273	$27,188,632	$33,872,274	$30,137,263	E
Excess (Deficit) Revenues Over Expenditures	$4,493,081	$4,182,196	$3,915,930	$2,901,359	$6,683,642	($3,735,011)	1

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note:

1. Appropriated Fund Balance is planned to be used

E. Estimated

General Fund – Budget Summary

	2025-26 Proposed Budget
Revenues:	
Real Property Taxes & STAR	$36,803,460
Other Tax Items	625,929
Charges for Services	128,500
Use of Money & Property	750,146
Sale of Property	20,500
Miscellaneous	1,850,000
State Aid	64,295,142
Federal Aid	350,000
Interfund Transfers	0
Appropriated Fund Balance	2,500,000
Total Revenues	$107,323,677
Expenditures:	
General Support	$11,727,726
Instruction	58,573,750
Transportation	4,517,431
Employee Benefits	25,178,694
Debt Service	7,226,077
Interfund Transfers	100,000
Total Expenditures	$107,323,677

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Assets:					
Unrestricted Cash	$6,423,911	$12,201,093	$15,621,931	$14,740,941	$17,472,946
Restricted Cash	952,737	953,755	1,254,762	1,282,948	1,333,366
Taxes Receivable	2,311,593	1,977,005	2,281,427	2,426,001	2,187,178
Other Receivables	234,659	128,789	272,449	169,088	196,112
Due from Other Funds	9,537,606	7,400,581	8,302,838	8,007,387	8,725,735
Due from State & Federal	4,464,016	5,833,856	5,074,101	6,135,720	6,074,841
Investments	0	0	0	3,051,006	6,000,820
Inventories	0	0	0	0	0
Total Assets	$23,924,522	$28,495,079	$32,807,508	$35,813,091	$41,990,998
Liabilities:					
Accounts Payable	$2,154,955	$2,909,651	$3,410,944	$3,253,170	$2,603,551
Accrued Liabilities	1,769,178	1,903,468	1,424,261	1,175,534	1,201,951
Due to Other Funds	0	0	0	0	0
Due Retirement System	2,893,665	3,295,472	3,681,280	4,163,807	4,281,274
Compensated Absences	0	0	0	0	0
Deferred Revenues	7133	15,145	3,750	31,948	31,948
Total Liabilities:	$6,824,931	$8,123,736	$8,520,235	$8,624,459	$8,118,724
Fund Balances:					
Nonspendable:	$0	$0	$0	$0	$0
Restricted	5,832,581	9,220,783	9,761,253	10,480,552	16,889,019
Deferred Inflows of Resources	910,444	0	0	0	0
Assigned					
Encumbrances	355,431	0	581,681	469,876	0
Appropriated Fund Balance	1,047,897	1,435,965	2,520,544	2,500,000	2,500,000
Unassigned	8,953,238	9,129,714	11,423,795	13,738,204	14,483,255
Total Fund Balance	$17,099,591	$19,786,462	$24,287,273	$27,188,632	$33,872,274
Total Liabilities and Fund Balance	$23,924,522	$27,910,198	$32,807,508	$35,813,091	$41,990,998

Source: Audited Financial Reports. This table is NOT audited.

<u>APPENDIX B</u>

Audited Financial Statements

For The Fiscal Year Ended June 30, 2024

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained.

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

Bonadio & Co., LLP
Accounting, Consulting & More

AUBURN ENLARGED CITY SCHOOL DISTRICT

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Bonadio & Co., LLP
Accounting, Consulting & More

INDEPENDENT AUDITOR'S REPORT

November 13, 2024

To the Board of Education of the
Auburn Enlarged City School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Auburn Enlarged City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund; Schedule of Changes in Total Other Postemployment Benefit Liability and Related Ratios; Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions - Pension Plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Combining Balance Sheet – Nonmajor Governmental Funds, and Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet – Nonmajor Governmental Funds, and Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of the Real Property Tax Law Limit Calculation - General Fund, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Financial Highlights

- At June 30, 2024 total liabilities (what the District owes) exceeded its total assets (what the District owns) by $142,580,728 (net position) and at June 30, 2023 total liabilities exceeded total assets by $162,984,400, an increase of $20,403,672 from 2023 to 2024. This increase in net position is primarily due to increases in cash and investments as well as a decrease in long-term debt.

- Capital asset additions during fiscal 2024 amounted to approximately $10.4 million, primarily due to $9.1 million of capital project expenditures related to ongoing capital projects, approximately $2.8 million in additions to buildings and site improvements, and approximately $408 thousand of furniture and equipment purchases. In fiscal 2024 lease asset additions amounted to approximately $1.7 million.

- General revenue, which includes State aid, and property taxes accounted for $99,995,687 (or 87.7%) of all revenue. Program specific revenue in the form of Charges for Services and Operating Grants and Contributions accounted for $14,017,691 (or 12.3%) of total revenue.

- Total expenses in the District-wide financial statements totaled $93,609,706 and $90,144,436 in 2024 and 2023, respectively.

- As of the close of the fiscal year, the District's governmental funds reported a combined fund balance of $27,560,665, in 2024, a decrease of $375,162 from 2023 to 2024.

Overview of the Financial Statements

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

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are Governmental fund financial statements that focus on individual activities of the District, reporting the operation in more detail than the District-wide statements.

    - The Governmental fund statements tell how basic services, such as instruction and support functions, were financed in the short-term, as well as what remains for future spending.

Overview of the Financial Statements (Continued)
The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison to the District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

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

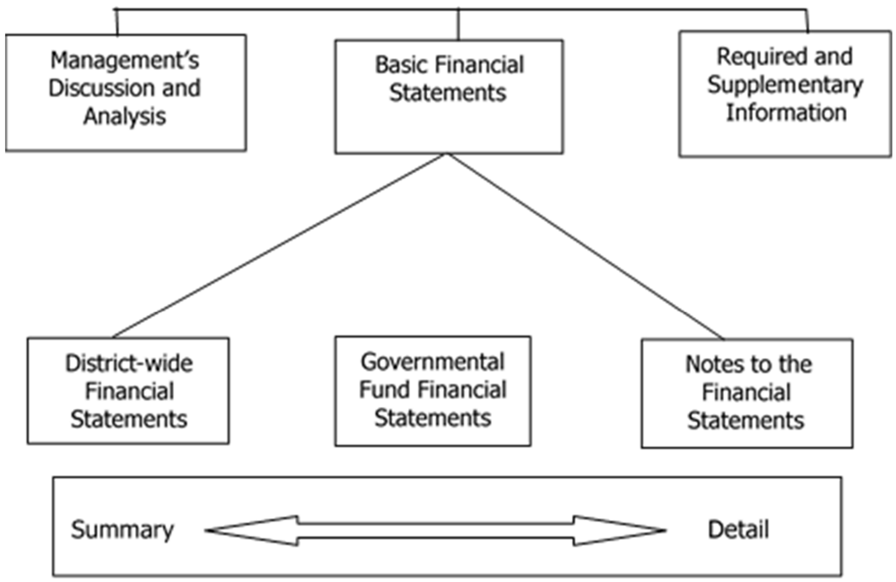


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

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

		Fund Financial Statements
	District-Wide	**Governmental Funds**
Scope	Entire District	The day-to-day operating activities of the District, such as instruction and special education
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred inflows/outflows of resources/liability information	All assets/deferred outflows and liabilities/inflows, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

District-Wide Statements

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

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

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

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

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

District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.

- Report long-term debt as a liability.

- Depreciate capital assets and allocate the depreciation to the proper function.

- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.

- Allocate net position balances as follows:

    - Net investment in capital assets.

    - Restricted net position includes resources with constraints placed on use by external sources or imposed by law.

    - Unrestricted net position is net position that does not meet any of the above restrictions.

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

The District has one type of fund:

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

Financial Analysis of the District as a Whole
Our analysis below focuses on the net position (Table A-3) and the change in net position (Table A-4) of the District-wide governmental activities.

Table A-3: Condensed Statements of Net Position - Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Current and other assets	$ 57,549,541	$ 51,193,823	12.4%
Non-current assets	89,957,861	82,584,465	8.9%
Total assets	147,507,402	133,778,288	10.3%
Deferred outflows of resources	25,194,468	33,080,955	-23.8%
Current liabilities	30,348,610	23,331,895	30.1%
Long-term liabilities	223,571,106	236,177,559	-5.3%
Total liabilities	253,919,716	259,509,454	-2.2%
Deferred inflows of resources	61,362,862	70,484,110	-12.9%
Net position:			
Net investment in capital assets	61,457,719	51,984,354	18.2%
Restricted	16,453,260	11,354,772	44.9%
Unrestricted	(220,491,707)	(226,323,526)	2.6%
Total net position	$ (142,580,728)	$ (162,984,400)	12.5%

Financial Analysis of the District as a Whole (Continued)
In Table A-3, total assets at June 30, 2024 were approximately $13.7 million higher than at June 30, 2023. Non-current assets increased approximately $7.4 million, due primarily an increase in capital asset additions during fiscal year 2024 of $10.4 million, offset by $3.8 million in depreciation expense. Current assets increased approximately $6.4 million, due to an increase in cash at June 30, 2024 arising from current year activities of the District.

Deferred outflows of resources at June 30, 2024 were approximately $7.9 million lower than at June 30, 2023, due to a decrease in the other postemployment benefit (OPEB) and TRS pension related deferred outflows of resources.

Total liabilities decreased by approximately $5.6 million, due primarily to a decrease in long-term liabilities of approximately $12.6 million. The decrease in long-term liabilities is due to a decrease in the OPEB and bonds payable liabilities.

Deferred inflows of resources at June 30, 2024 were approximately $9.1 million lower than at June 30, 2023, due to a decrease in the other postemployment benefit (OPEB) deferred inflows of resources.

Table A-4: Changes in Net Position from Operating Results - Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Revenues			
Program Revenue:			
Charges for services	$ 141,365	$ 223,218	-36.7%
Operating grants and contributions	13,876,326	15,503,161	-13.6%
General revenue:			
Taxes	35,655,980	34,955,850	2.0%
State sources	60,449,860	50,603,331	19.5%
Use of money and property	1,314,417	455,361	188.7%
Miscellaneous	2,870,136	3,459,692	-17.0%
Total revenues	114,308,084	105,200,613	8.4%
Expenses			
General support	14,049,234	13,265,758	5.9%
Instruction	71,079,194	68,295,068	4.1%
Transportation	4,037,755	3,793,205	6.4%
Debt service - Interest	2,170,478	2,503,177	-13.3%
School lunch program	2,273,025	2,287,228	-0.6%
Total expenses	93,609,686	90,144,436	3.8%
Increase (decrease) in net position	$ 20,698,398	$ 15,056,177	37.5%

Changes in Net Position
The District's fiscal year 2024 revenues totaled $114,013,378 (Table A-4). Property taxes (including other tax items) and state sources accounted for most of the District's revenue by contributing $0.84 and $0.81 of every dollar raised in 2024 and 2023, respectively (Table A-5). The remainder of revenue came from fees charged for services, operating grants, use of money and property, and other miscellaneous sources.

The total cost of all programs and services totaled $93,609,706 for fiscal year 2024. These expenses are predominately related to general instruction, which account for 75.9% of the District's expenses (See Table A-6). The District's general support activities accounted for 15.0% of total costs.

Table A-5: Sources of Revenue for Fiscal Year 2024

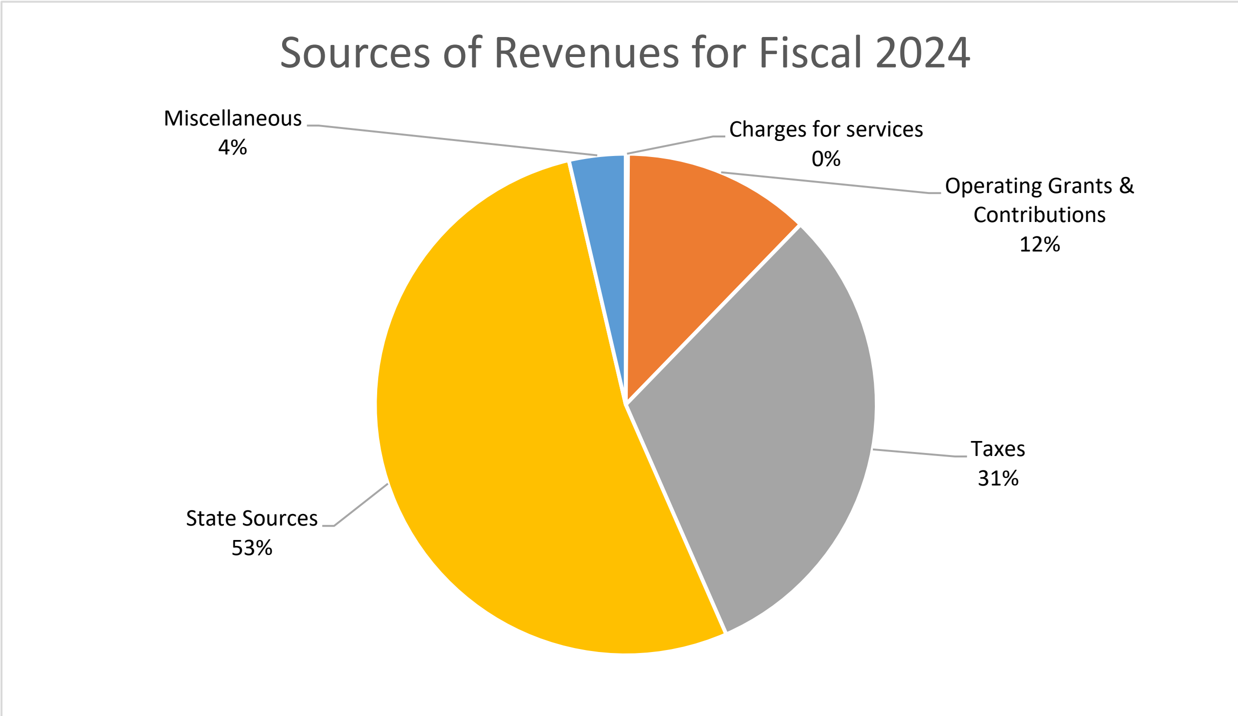
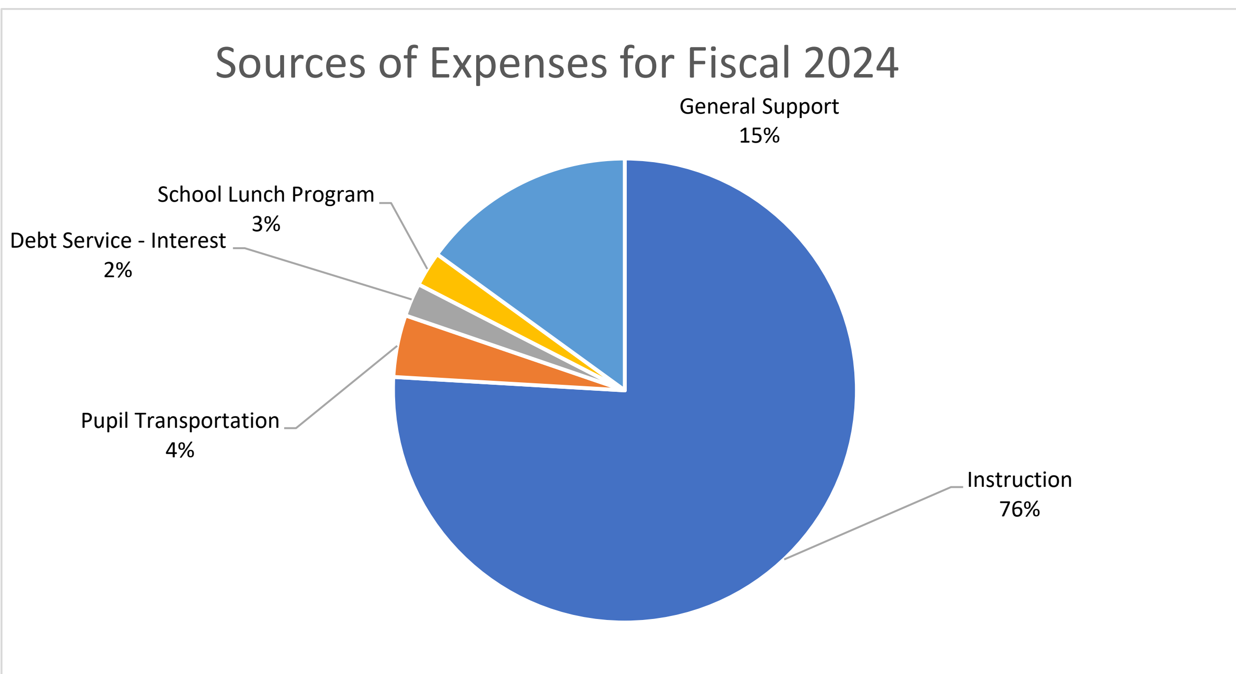


Table A-6: Expenses for Fiscal Year 2024



Financial Analysis of the District's Funds

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

At June 30, 2024, the District, in its governmental funds, reported combined fund balances of $27.6 million, a decrease of $375 thousand from the prior year.

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the General Fund.

Table A-7: Results vs. Budget

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual / Final Budget)
Revenues:					
Local sources	$ 37,827,900	$ 37,910,721	$ 39,257,004	$ -	$ 1,346,283
State sources	59,290,905	59,290,905	60,449,860	-	1,158,955
Federal sources	-	-	-	-	-
Medicaid reimbursement	350,000	350,000	492,876	-	142,876
Appropriations	2,500,004	2,500,000	-	-	(2,500,000)
Transfers in	300,000	300,000	25,000	-	(275,000)
Total	100,268,809	100,351,626	100,224,740	-	(126,886)
Expenditures:					
General support	13,055,331	13,363,973	12,778,206	-	585,767
Instruction	54,418,635	54,661,690	48,998,260	-	5,663,430
Pupil transportation	3,800,680	3,801,680	3,642,673	-	159,007
Employee benefits	22,341,000	22,341,000	20,122,205	-	2,218,795
Capital outlays	-	30,435	30,435	-	-
Debt service	6,528,163	6,528,163	7,869,319	-	(1,341,156)
Transfers out	125,000	125,000	100,000	-	25,000
Total	100,268,809	100,851,941	93,541,098	-	7,310,843
Revenues over (under) expenditures	$ -	$ (500,315)	$ 6,683,642	$ -	$ 7,183,957

- The General Fund is the only fund for which a budget is legally adopted.
- Total revenues came in within 1% of budget.
- Total expenditures came in within 8% of budget.

Capital Assets
As of June 30, 2024, the District had a net investment of $89.8 million in a broad range of capital assets including land, buildings, athletic facilities, computers and other educational equipment.

Table A-8: Capital Assets

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Land	$ 866,980	$ 866,980	0.0%
Construction in progress	32,197,957	24,931,616	29.1%
Site improvements	18,245,813	15,483,095	17.8%
Buildings	103,620,185	103,608,552	0.0%
Furniture and equipment	9,814,157	9,438,813	4.0%
Lease assets	4,369,216	3,917,227	11.5%
Total	169,114,308	158,246,283	6.9%
Less: Accumulated depreciation and amortization	(79,266,448)	(75,661,818)	-4.8%
Net capital assets	$ 89,847,860	$ 82,584,465	8.8%

Long-Term Debt
At year-end, the District had $38.1 million in serial bonds outstanding and $119 thousand in other long-term liabilities. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

Table A-9: Outstanding Long-Term Liabilities

	2024	2023
Serial bonds payable	$ 38,124,461	$ 42,577,562
Other long-term liabilities	118,596	136,969
Total	$ 38,243,057	$ 42,714,531

Factors Bearing on the Future of the District
The District relies heavily on state aid to finance its operations; approximately 60% of the District's General Fund revenues are from state aid. Foundation aid will be fully funded for the 2024-2025 year. However, the formula is still not adequately funding lower income districts such as ours. The District is continuing its advocacy campaign to fix the foundation aid formula.

In addition, the state has enacted a tax levy limit for all municipalities and school districts which is tied to the rate of inflation. This limits the District's ability to increase the tax levy by more than 2% per year, thus serving to further increase the District's reliance on state aid increases. Recent high inflation rates have negatively impacted the District, exacerbating the issues associated with the tax levy limit.

Factors Bearing on the Future of the District (Continued)

Health insurance costs are one of the largest expenses in the District's annual budget. The District provides postemployment health insurance coverage to retirees in accordance with various employment contracts. The cost of this coverage is recognized by the District annually as payments are made (pay-as-you-go basis); however, the true actuarially calculated liability for this coverage is estimated at approximately $178 million. The District established a Health Insurance reserve fund in the amount of $1,500,000 in response.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the finances of the District and to demonstrate the District's accountability with the funds it receives. If you have any questions about this report or need additional financial information, please contact: Tessa Crawford, School Business Executive, Auburn Enlarged City School District, 78 Thornton Ave., Auburn, New York 13021.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Statement of Net Position
June 30, 2024

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 21,307,921
Cash and cash equivalents - restricted	14,768,583
Investments	6,000,820
Taxes receivable	2,187,178
State and federal aid receivable	13,383,421
Other receivables	196,324
Total current assets	57,844,247
NON-CURRENT ASSETS:	
Capital assets, nondepreciable	25,798,596
Capital assets, depreciable, net	64,159,265
Total non-current assets	89,957,861
Total assets	147,802,108
DEFERRED OUTFLOWS OF RESOURCES	
Pension related-TRS	14,716,236
Pension related-ERS	2,655,327
Other postemployment benefits	7,573,551
Deferred amount on refunding	249,354
Total deferred outflows of resources	25,194,468
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	4,626,732
Accrued liabilities	1,201,957
Accrued interest	65,028
Due to teachers' retirement system	4,053,474
Due to employees' retirement system	227,800
Unearned revenue	208,619
Bond anticipation note	19,965,000
Total current liabilities	30,348,610

LIABILITIES (Continued)	
LONG-TERM LIABILITIES:	
Due and payable within one year -	
Current portion of compensated absences	20,402
Current portion of bonds payable, net of premium	3,187,926
Current portion of installment debt	580,270
Lease liabilities, current	961,426
Total other postemployment benfits liability, current	7,027,820
Due and payable after one year -	
Net pension liability - ERS	3,209,440
Net pension liability - TRS	2,136,527
Compensated absences	98,194
Bonds payable, net of premium	31,078,710
Installment debt	3,277,555
Lease liability, net of current portion	1,199,244
Total other postemployment benefits liability, net of current posr	170,793,592
Total long-term liabilities	223,571,106
Total liabilities	253,919,716
DEFERRED INFLOWS OF RESOURCES	
Pension related-TRS	1,884,609
Pension related-ERS	1,807,137
Other postemployment benefits	57,671,116
Total deferred inflows of resources	61,362,862
NET POSITION	
Net investment in capital assets	61,457,719
Restricted	17,953,260
Unrestricted	(221,696,981)
Total net position	$ (142,286,002)

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Statement of Activities
For the Year Ended June 30, 2024

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Net (Expense Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 14,049,234	$ 61,544	$ -	$ (13,987,690)
Instruction	71,079,194		11,378,918	(59,700,276)
Pupil transportation	4,037,775	-	-	(4,037,775)
Debt service - interest	2,170,478	-	-	(2,170,478)
School lunch program	2,273,025	79,821	2,497,408	304,204
TOTAL FUNCTIONS/PROGRAMS	$ 93,609,706	$ 141,365	$ 13,876,326	(79,592,015)
GENERAL REVENUE:				
Real property taxes				31,676,232
Other tax items				3,979,748
Use of money and property				1,314,417
Sale of property and compensation for loss				27,514
Medicaid reimbursement				492,876
State sources				60,449,860
Miscellaneous				2,349,766
TOTAL GENERAL REVENUE				100,290,413
CHANGE IN NET POSITION				20,698,398
NET POSITION - beginning of year				(162,984,400)
NET POSITION - end of year				$ (142,286,002)

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2024

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 17,472,946	$ 2,871,618	$ -	$ 963,357	$ 21,307,921
Cash and cash equivalents - restricted	1,333,366	-	12,778,030	657,187	14,768,583
Investments	6,000,820	-	-	-	6,000,820
Taxes receivable	2,187,178	-	-	-	2,187,178
State and federal aid receivable	6,074,841	7,132,660	-	175,920	13,383,421
Due from other funds	8,725,735	1,073,432	938,147	5,507	10,742,821
Other receivables	196,112	-	-	212	196,324
TOTAL ASSETS	$ 41,990,998	$ 11,077,710	$ 13,716,177	$ 1,802,183	$ 68,587,068
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	$ 2,603,551	$ 635,462	$ 1,242,395	$ 145,324	$ 4,626,732
Accrued liabilities	1,201,951	-	-	6	1,201,957
Due to other funds	-	10,333,126	-	409,695	10,742,821
Due to teachers' retirement system	4,053,474	-	-	-	4,053,474
Due to employees' retirement system	227,800	-	-	-	227,800
Unearned revenue	31,948	112,350	-	64,321	208,619
Bond anticipation notes payable	-	-	19,965,000	-	19,965,000
TOTAL LIABILITIES	8,118,724	11,080,938	21,207,395	619,346	41,026,403
Restricted -					
Retirement	5,008,156		-	-	5,008,156
Unemployment insurance	159,246	-	-	-	159,246
Debt service	-	-	-	61,754	61,754
Capital	4,811,790	-	-	-	4,811,790
Tax certiorari	2,092,255	-	-	-	2,092,255
Insurance	1,485,261	-	-	-	1,485,261
Insurance - Health	1,500,000	-	-	-	1,500,000
Liability	530,509	-	-	-	530,509
Employee benefits accrued liability	424,390	-	-	-	424,390
Worker's comp reserve	877,412	-	-	-	877,412
School lunch	-	-	-	822,749	822,749
Other	-	-	-	298,334	298,334
Total restricted fund balance	16,889,019	-	-	1,182,837	18,071,856
Assigned -					
Other appropriations	-	(3,228)	(7,491,218)	-	(7,494,446)
Appropriated for subsequent year's expenditures	2,500,000	-	-	-	2,500,000
Total assigned fund balance	2,500,000	(3,228)	(7,491,218)	-	(4,994,446)
Unassigned	14,483,255	-	-	-	14,483,255
TOTAL FUND BALANCE	33,872,274	(3,228)	(7,491,218)	1,182,837	27,560,665
TOTAL LIABILITIES AND FUND BALANCE	$ 41,990,998	$ 11,077,710	$ 13,716,177	$ 1,802,183	$ 68,587,068

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

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

Fund balance - total governmental funds	$ 27,560,665
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds.	89,957,861
Deferred outflows/inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows - ERS/TRS	17,371,563
Deferred inflows - ERS/TRS	(3,691,746)
Deferred outflows - Refunding	249,354
Deferred outflows - OPEB	7,573,551
Deferred inflows - OPEB	(57,671,116)
Net pension obligations are not due and payable in the current period and; therefore, are not reported in the funds.	
Net pension liability - TRS	(2,136,527)
Net pension liability - ERS	(3,209,440)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.	
Bonds payable, including bond premium	(34,266,636)
Lease liability	(2,160,670)
Installment purchase debt	(3,857,825)
Other postemployment benefits obligation	(177,821,412)
Compensated absences	(118,596)
Accrued interest	(65,028)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (142,286,002)

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total
REVENUE:					
Real property taxes	$ 31,676,232	$ -	$ -	$ -	$ 31,676,232
Other tax items	3,979,748	-	-	-	3,979,748
Charges for services	61,544	99,454	-	-	160,998
Use of money and property	1,298,353	-	-	16,064	1,314,417
Sale of property and compensation for loss	27,514	-	-	-	27,514
Miscellaneous	2,213,613	-	-	174,620	2,388,233
State sources	60,449,860	1,977,659	-	197,146	62,624,665
Federal sources	-	9,301,805	-	2,300,262	11,602,067
Medicaid reimbursement	492,876	-	-	-	492,876
Sales - school lunch	-	-	-	79,821	79,821
Premium on obligations	-	-	49,118	-	49,118
Total revenue	100,199,740	11,378,918	49,118	2,767,913	114,395,689
EXPENDITURES:					
General support	12,778,206	1,823	-	151,020	12,931,049
Instruction	48,998,260	10,108,810	-	-	59,107,070
Pupil transportation	3,642,673	187,455	-	-	3,830,128
Employee benefits	20,122,205	1,084,058	-	46,716	21,252,979
Debt service - principal	5,397,359	-	-	-	5,397,359
Debt service - interest	2,471,960	-	-	-	2,471,960
Cost of sales	-	-	-	2,362,125	2,362,125
Other expenditures	-	-	-	11,404	11,404
Capital outlay	1,738,191	-	7,376,342	-	9,114,533
Total expenditures	95,148,854	11,382,146	7,376,342	2,571,265	116,478,607
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	5,050,886	(3,228)	(7,327,224)	196,648	(2,082,918)
OTHER SOURCES AND (USES):					
Proceeds from the issuance of leases	1,707,756	-	-	-	1,707,756
Operating transfers in	25,000	-	100,000	-	125,000
Operating transfers out	(100,000)	-	-	(25,000)	(125,000)
Total other sources (uses)	1,632,756	-	100,000	(25,000)	1,707,756
CHANGE IN FUND BALANCE	6,683,642	(3,228)	(7,227,224)	171,648	(375,162)
FUND BALANCE - beginning of year	27,188,632	-	(263,994)	1,011,189	27,935,827
FUND BALANCE - end of year	$ 33,872,274	$ (3,228)	$ (7,491,218)	$ 1,182,837	$ 27,560,665

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

Net changes in fund balance - Total governmental funds	$ (375,162)
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position:	
Capital asset (including lease asset) additions	12,159,880
Depreciation and amortization expense	(4,786,484)
Repayments of installment purchase debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	560,536
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	3,600,000
Net change in lease liabilities are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	(470,933)
Amortization of premiums associated with long-term debt is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	292,565
Amortization of the deferred amount on refunding is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(87,585)
ERS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds:	
Net pension liability/asset	1,211,171
Deferred outflows of resources	(291,272)
Deferred inflows of resources	(1,507,163)
TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds:	
Net pension liability/asset	1,358,995
Deferred outflows of resources	(4,263,316)
Deferred inflows of resources	496,212
Other postemployment benefits (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, pension related (liabilities)/assets that are long-term in nature and therefore not reported in the funds:	
Other postemployment benefits liability	5,885,779
Deferred outflows of resources	(3,244,314)
Deferred inflows of resources	10,132,199
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	18,373
Certain expenses in the statement of activities do not require the use of current resources and are, therefore, not reported as expenditures in the governmental funds:	
Change in accrued interest	8,917
Change in net position - governmental activities	$ 20,698,398

1. NATURE OF OPERATIONS

Auburn Enlarged City School District (the District) provides free K-12 public education to students living within its geographic borders.

Reporting Entity
The District is governed by the Laws of New York State. The District is an independent entity governed by an elected Board of Education (BOE) consisting of 7 members. The President of the Board serves as chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) and consists of the primary government, and when applicable, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financials statements present the activities of the District including the Extraclassroom Activity Funds (the ECA Funds).

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

Joint Venture
The District is a component school district in the Cayuga-Onondaga Counties Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

1. NATURE OF OPERATIONS (Continued)

Joint Venture (Continued)
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 the New York State Education Law, §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $17,415,933 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,517,660.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation
The District's financial statements consist of district-wide financial statements, including a statement of net position and a statement of activities, and fund level financial statements which provide more detailed information.

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

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements
The fund statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)
The District reports the following major governmental funds:

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

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

Special Aid Fund - Used to account for proceeds from State and Federal grants that are restricted for specific educational programs.

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

The District reports the following nonmajor governmental funds:

- Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

- School Lunch Fund: Used to account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

- Extraclassroom Activities: This fund accounts for the activities of the student run clubs and organizations of the District.

- Scholarships: This fund accounts for amounts contributed to fund scholarships and the distribution of scholarships.

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

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

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

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Property Taxes
Real property taxes are levied annually by the BOE no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to December 1. Taxes not collected by December 1 are turned over to the City and County who assume all responsibility for collection. Uncollected real property taxes are subsequently enforced by the City and County in which the District is located. The City and County pay an amount representing uncollected real property taxes transmitted to the City and County for enforcement to the District no later than the following August 31.

Real property taxes receivable expected to be collected within 60 days of year-end are recognized as revenue. Otherwise, a deferred inflows of resources offset real property taxes receivable.

Due from Other Governments
Due from other governments recorded as an asset at June 30, 2024, relates to receivables due from BOCES and other school districts. Management does not believe an allowance for doubtful accounts is necessary.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

State and Federal Aid Receivable
State and federal aid receivable recorded as an asset at June 30, 2024 relates to receivables due from New York State and/or the federal government. Management does not believe an allowance for doubtful accounts is necessary.

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

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

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

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

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

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

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)
Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold is used to report capital assets and the range of estimated useful lives by type of assets is as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	SL	40
Building improvements	$ 5,000	SL	40
Site improvements	$ 5,000	SL	15 – 20
Furniture and equipment	$ 5,000	SL	5 – 20

Capital assets also include lease assets with a term greater than one year. The District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

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

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

The liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

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

Other Postemployment Benefits
In addition to providing retirement benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various current employment contracts. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through self-insured plans and claims are paid by the District. The District recognizes the cost of providing health insurance by recording its share of insurance claims when they are paid.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

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

Unearned Revenue

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

Short-Term Debt

The 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 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. Such notes may be classified as part of the General Long-Term Debt Account Group 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. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

Accrued Liabilities and Long-Term Obligations

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

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

Restricted Resources

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

District-Wide Statements - Equity Classifications
In the District-wide statements there are three classes of net position:

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

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

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

Governmental Fund Financial Statements - Equity Classifications
In the fund basis statements there are five classifications of fund balance:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Extraclassroom Activity special revenue fund has other restricted fund balance of $101,836 related to extraclassroom activities. The Scholarship special revenue has other restricted fund balance of $196,498 scholarship funds. The District has available the following restricted fund balances:

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

<u>Reserve for Debt Service</u>
According to General Municipal Law §6-l, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

<u>Repair</u>
Repair reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, that are of a type not recurring annually. The BOE, 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.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Employee Benefit Accrued Liability Reserve
According to General Municipal Law §6-p, this reserve must be used for the payment of accrued employee benefits due to 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.

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

Liability Reserve
According to General Municipal Law § 1709(8)(c), this reserve must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or $15,000, whichever is greater.

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

Retirement Contribution
Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Unemployment Insurance Reserve
This reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the District has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to the tax (contribution) basis, excess resources in the fund may be transferred to any other reserve fund. The reserve is accounted for in the General Fund under restricted fund balance.

Reserve for Tax Reduction
This reserve (EL §1604, §1709) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. This reserve is accounted for in the General Fund.

Reserve for Insurance Recoveries
Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the General Fund.

Health Insurance Reserve
This reserve (General Municipal Law §6-n) is used to pay for any loss, claim, action, or judgment for accident and health insurance authorized by Insurance Law Section 113 (a)(3). The reserve is accounted for in the General Fund.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Restricted fund balance includes the following:

General Fund:	
Employee benefits accrued liability	$ 424,390
Unemployment insurance	159,246
Liability reserve	530,509
Capital reserve	4,811,790
Tax certiorari reserve	2,092,255
Retirement reserve	5,008,156
Worker’s comp reserve	877,412
Insurance reserve	1,485,261
Health insurance reserve	1,500,000
Total restricted fund balance	$ 16,889,019
Debt Service Fund	$ 61,754
School Lunch Fund	$ 822,479
Scholarships Fund	$ 196,498
Extraclassroom Activities Fund	$ 101,836

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

Assigned fund balance - Includes amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance in the General Fund. Encumbrances represent purchase commitments made by the District’s purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

Encumbrances

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

Unassigned fund balance - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District’s budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year’s budget and encumbrances are also excluded from the 4% limitation.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

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

Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes.

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

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

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

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets.

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

Differences between the governmental funds Statement of Revenue, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories.

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

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

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

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

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

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

The voters of the District approved the proposed appropriation budget.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the BOE as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the board approves them because of a need that exists which was not determined at the time the budget was adopted. There were budget revisions of $82,821 for the 2023-2024 final budget.

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

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

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include reducing future tax levies and committing funds for capital asset projects and purchases.

Fund Balance
The District's unrestricted fund balance in its General Fund was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

Portions of the fund balances are restricted and are not available for current expenditures or expenses, as reported in the governmental funds Balance Sheet.

5. CASH AND INVESTMENTS

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

At June 30, 2024, the reported amount of the District's deposits was $36,076,054 and the bank balance was $38,350,529. Of the bank balance $3,727,323 was covered by federal depository insurance or by collateral held by the District's agent in the District's name, and the remaining was covered by collateral held in the pledging bank's trust department in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $14,768,583 within the governmental funds.

At June 30, 2024, the District held $6,000,820 in short-term US Treasury obligations in the General Fund that are valued at cost.

6. CAPITAL ASSETS

Capital asset balances and activity were as follows:

	Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 866,980	$ -	$ -	$ 866,980
Construction in progress	24,931,616	7,266,341	-	32,197,957
Total nondepreciable cost	25,798,596	7,266,341	-	33,064,937
Capital assets that are depreciated:				
Buildings	103,608,552	11,633	-	103,620,185
Buildings/site improvements	15,483,095	2,762,718	-	18,245,813
Furniture and equipment	9,438,813	408,239	(32,895)	9,814,157
Total depreciable historical cost	128,530,460	3,129,590	(32,895)	131,680,155
Less accumulated depreciation:				
Buildings	(58,026,230)	(2,688,818)	-	(60,715,048)
Buildings/site improvements	(6,722,549)	(576,036)	-	(7,298,585)
Furniture and equipment	(8,711,771)	(547,693)	32,895	(9,226,569)
Total accumulated depreciation	(73,460,550)	(3,812,547)	32,895	(77,240,202)
Total depreciable cost - net	55,069,910	(629,957)	-	54,439,953
Leased assets, being amortized:				
Vehicles	407,354	390,686	-	798,040
Equipment	3,509,873	1,347,505	(1,286,202)	3,571,176
Total lease assets, being amortized	3,917,227	1,738,191	(1,286,202)	4,369,216
Less accumulated amortization:				
Vehicles	(180,787)	(165,471)	-	(346,258)
Equipment	(2,020,481)	(945,729)	1,286,202	(1,680,008)
Total accumulated amortization	(2,201,268)	(1,111,200)	1,286,202	(2,026,266)
Total lease assets, being amortized, net	1,715,959	627,011	-	2,342,970
Governmental Activities, Capital Assets, net	$ 82,584,465	$ 7,263,395	$ -	$ 89,847,860

6. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 3,264,854	$ 165,471
Instruction	495,511	945,729
Pupil transportation	25,767	-
School lunch	26,415	-
Total	$ 3,812,547	$ 1,111,200

7. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General	$ 8,752,735	$ -	$ 25,000	$ 100,000
Special Aid	1,073,432	10,333,126	-	-
Capital Projects	938,147	-	100,000	-
Nonmajor funds	5,507	409,695	-	25,000
Total	$ 10,742,821	$ 10,742,821	$ 125,000	$ 125,000

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

8. SHORT-TERM OBLIGATIONS

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

Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
6/27/2024	4.75%	$ 13,900,000	$ -	$ (13,900,000)	$ -
6/26/2025	4.00%	-	19,965,000	-	19,965,000
		$ 13,900,000	$ 19,965,000	$ (13,900,000)	$19,965,000

9. LONG-TERM OBLIGATIONS

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

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024	Due Within One Year
Governmental Activities:					
General obligation bonds	$ 35,705,000	$ -	$ (3,600,000)	$ 32,105,000	$ 2,975,000
Installment purchase debt - direct borrowing	4,418,361	-	(560,536)	3,857,825	580,270
Premium on bonds	2,454,201	-	(292,565)	2,161,636	212,926
Serial bonds payable	$ 42,577,562	$ -	$ (4,453,101)	$ 38,124,461	$ 3,768,196

	Balance 6/30/2023	Additions	Deletions {a}	Balance 6/30/2024	Due Within One Year
Other liabilities:					
Compensated absences {a}	$ 136,969	$ -	$ (18,373)	$ 118,596	$ 20,402

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

Interest on all debt for the year was composed of:

Interest paid	$ 2,471,960
Less: Interest accrued in the prior year	(73,945)
Plus: Interest accrued in the current year	65,028
Total interest expense	$ 2,463,043

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

Bond Issue	Issued	Maturity	Interest Rate	6/30/2024 Balance
2006 BOCES Refunded	2006	2032	1.88%	$ 4,405,000
2014 Serial Bond	2014	2029	5.00%	3,605,000
2017 Serial Bond	2017	2033	2.00%	2,660,000
2018 Serial Bond	2018	2033	3.00%	1,135,000
2021 Bond Refunding	2021	2029	1.00%	1,150,000
2022 Revenue Bond	2022	2038	5.00%	6,720,000
2022 Revenue Bond	2022	2039	5.00%	12,430,000
Total bond issue				$ 32,105,000

9. LONG-TERM OBLIGATIONS (Continued)

Installment purchase debt - direct borrowing:

Bond Issue	Issued	Maturity	Interest Rate	6/30/2024 Balance
Energy performance contracts	2007-2016	2021-2032	3.31-3.97%	$ 3,857,825

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

	Principal	(Direct Borrowing) Installment Purchase Debt Principal	Interest	(Direct Borrowing) Installment Purchase Debt Interest	Total Debt Service
2025	$ 2,975,000	$ 580,270	$ 1,452,838	$ 102,792	$ 5,110,900
2026	3,080,000	434,024	1,320,388	84,390	4,918,802
2027	3,170,000	446,702	1,185,988	71,712	4,874,402
2028	3,290,000	459,772	1,047,236	58,642	4,855,650
2029	3,085,000	473,246	902,825	45,168	4,506,239
2030-2034	10,565,000	1,219,612	2,840,525	99,115	14,724,252
2035-2039	5,940,000	244,232	709,500	5,884	6,899,616
Totals	$ 32,105,000	$ 3,857,858	$ 9,459,300	$ 467,703	$ 45,889,861

10. PENSION PLANS

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

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)
The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2024, the District reported a net pension liability of $3,209,440 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District's proportionate share was 0.0217973%, which was an increase of 0.0011827% from its proportionate share at June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of $1,393,608. At June 30, 2024, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,033,758	$ 87,513
Changes of assumptions	1,213,417	-
Net difference between projected and actual earnings on pension plan investments	-	1,567,794
Changes in proportion and differences between the District's contributions and proportionate share of contributions	180,352	151,830
Contributions subsequent to the measurement date	227,800	-
Total	$ 2,655,327	$ 1,807,137

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

Plan's Year Ended March 31:	
2025	$ (585,713)
2026	599,428
2027	946,152
2028	(339,477)
	$ 620,390

10. PENSION PLANS (Continued)

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

The District recognized $227,800 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2024 which will be recognized on a reduction of the net pension liability in the year ended June 30, 2025.

Actuarial Assumptions

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

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Aggregate Cost Method
Inflation	2.90%
Salary scale	4.40% indexed by service
Projected COLAs	1.50% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.90% compounded annually, net of investment expenses

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

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

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic equity	32.00	4.00
International equity	15.00	6.65
Private equity	10.00	7.25
Real estate	9.00	4.60
Opportunistic/ARS portfolio	3.00	5.25
Credit	4.00	5.40
Real assets	3.00	5.79
Fixed income	23.00	1.50
Cash	1.00	0.25
	100.00%	

10. PENSION PLANS (Continued)

Discount Rate

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

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

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 5.90%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability (asset)	$ 10,090,807	$ 3,209,440	$ (2,537,929)

Pension Plan Fiduciary Net Position (000's)

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

Total pension liability	$240,696,851
Net position	225,972,801
Net pension liability (asset)	$ 14,724,050
ERS net position as a percentage of total pension liability	93.88%

New York State Teachers' Retirement System

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

10. PENSION PLANS (Continued)

New York State Teachers’ Retirement System (Continued)

The New York State Teachers’ Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

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

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

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

	TRS
2024	$ 3,563,165
2023	$ 3,550,268
2022	$ 3,162,536

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

At June 30, 2024, the District reported net pension liability of $2,136,527 for its proportionate share of the TRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2022. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District’s proportionate share was 0.186827%, which was an increase of 0.004663% from its proportionate share as of June 30, 2023.

10. PENSION PLANS (Continued)

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

For the year ended June 30, 2024, the District recognized pension expense of $5,970,506. At June 30, 2024 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,180,509	$ 12,803
Changes of assumptions	4,599,879	1,002,518
Net difference between projected and actual earnings on pension plan investments	1,092,150	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	280,533	869,288
Contributions subsequent to the measurement date	3,563,165	-
Total	$ 14,716,236	$ 1,884,609

The District recognized $3,563,165 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2024 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Plan's Year Ended June 30:	
2024	$ 854,218
2025	(1,200,117)
2026	8,415,704
2027	488,716
2028	417,336
Thereafter	292,604
Total	$ 9,268,461

10. PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, with updated procedures used to roll forward the total pension liability to June 30, 2023. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service They have been calculated based upon recent NYSTRS member experience and were updated as of June 30, 2021

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

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2023, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. Active member mortality rates are based on plan member experience.

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

10. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The Long-Term Expected Real Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic equity	33.00	6.80
International equity	15.00	7.60
Global equities	4.00	7.20
Real estate equity	11.00	6.30
Private equity	9.00	10.10
Domestic fixed income	16.00	2.20
Global bonds	2.00	1.60
Private debt	2.00	6.00
Real estate debt	6.00	3.20
High-yield bonds	1.00	4.40
Cash equivalents	1.00	0.30
	100.00%	

Discount Rate

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

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

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.95%) or 1% higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Proportionate Share of Net Pension Liability (asset)	$ 32,540,387	$ 2,136,527	$ (23,434,434)

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (000's)
The components of the current year net pension liability of the employers as of June 30, 2023, were as follows:

Total pension liability	$ 138,365,122
Net position	137,221,537
Net pension liability (asset)	$ 1,143,585
NYSTRS net position as a percentage of total pension liability	99.2%

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

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

	June 30, 2024
ERS Liability	$ 227,800
TRS Liability	$ 4,053,474

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description
The District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

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

Active not eligible to retire	565
Actives eligible to retire	98
Retired and surviving spouses	589
Retiree spouses covered	250
Total participants	1,502

Total OPEB Liability

The District's total OPEB liability of $177,821,412 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.42% per year
Payroll Growth	3.42% as of June 30, 2024
Discount Rate	3.98% as of June 30, 2024
Healthcare Cost Trend Rates	5.10% for 2024, decreasing to an ultimate rate of 3.86% for years after 2070
Share of Benefit-Related Costs	19% share of GDP above which cost growth is assumed to meet resistance
Cost Method	Entry Age Normal, Level Percent of Pay

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were MP-2021 Dataset Mortality Table fully generational as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2024 valuation were based on large scale retirement plan population data. The plan's estimated termination and retirement experience is then analyzed and the base table is adjusted accordingly. There is no formal experience study done for the plan.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 183,707,191
Changes for the Year-	
Service cost	4,456,233
Interest	6,857,094
Changes of benefit terms	(178,275)
Changes in assumptions or other inputs	(4,742,687)
Differences between expected and actual experience	(5,519,325)
Benefit payments	(6,758,819)
Net changes	(5,885,779)
Balance at June 30, 2024	$ 177,821,412

Changes of assumptions and other inputs reflect a change in the discount rate from 3.78% in 2023 to 3.98% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.98%) or 1% higher (4.98%) than the current discount rate:

	1% Decrease (2.98%)	Current Discount (3.98%)	1% Increase (4.98%)
Total OPEB Liability	$ 204,440,788	$ 177,821,412	$ 156,282,506

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

	Healthcare Cost Trend Rate		
	1% Decrease (4.10% to 2.86%)	Current Discount (5.10% to 3.86%)	1% Increase (6.10% to 4.86%)
Total OPEB Liability	$ 152,689,327	$ 177,821,412	$ 209,474,533

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2024, the District recognized OPEB revenue of $6,063,652. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,888,476	$ 25,670,736
Changes of assumptions	-	32,000,380
Contributions after measurement date	1,685,075	-
Total	$ 7,573,551	$ 57,671,116

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

Fiscal Year Ending June	Amount
2025	$ (13,681,622)
2026	(10,971,514)
2027	(10,971,514)
2028	(11,123,585)
2029	(4,545,733)
Thereafter	(488,672)
	$ (51,782,640)

The District recognized $1,685,075 as a deferred outflow of resources resulting from the benefit payments made subsequent to the measurement date of June 30, 2024 which will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025.

12. LEASES

The District as a Lessee

The School District leases various copiers and equipment, primarily from Onondaga-Cortland-Madison and CiTi Board of Cooperative Educational Service (BOCES). The School District also leases vehicles from Enterprise Fleet Management. Except for the vehicles, the leases do not contain renewal options. The leases have various inception dates and remaining terms of 24-62 months. The lease agreements have interest rates/discount rates between 1.90% and 8.01%. The total lease liability as of June 30, 2024 is $2,160,670.

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

Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
$ 1,689,737	$ 1,707,756	$ 1,236,823	$ 2,160,670	$ 961,426

12. LEASES (Continued)

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

	Principal	Interest	Total
2025	$ 961,426	$ 76,608	$ 1,038,034
2026	486,805	48,692	535,497
2027	384,899	29,786	414,685
2028	327,540	13,839	341,379
	$ 2,160,670	$ 168,925	$ 2,329,595

13. RISK MANAGEMENT

General

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

Worker's Compensation

The District is a member of the Onondaga-Cortland-Madison Counties BOCES Consortium Workers' Compensation Self-Insurance Plan (the Plan). Current membership of the Plan includes various municipal entities. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The Plan participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claim liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. During the year ended June 30, 2024, the District incurred premiums or contribution expenditures totaling $272,392.

Health Insurance Plan

The District has a District-wide self-insured Health Insurance Plan administered through a third-party insurance carrier. Claims incurred but not reported (IBNR) was approximately $1,033,905 at June 30, 2024 and was recorded in the General Fund in accrued liabilities.

Unemployment

The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for the benefits paid from the fund to former employees. The expenditures of this program for the 2023-2024 fiscal year totaled $30,838. In addition, as of June 30, 2024, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

14. CONTINGENCIES AND COMMITMENTS

Litigation

The District has been named as defendant in several tax certiorari cases. A review by the District and the District's attorneys indicate these actions are not substantial enough to materially affect the financial position of the District.

The District has also been named as a defendant in certain other actions. The District intends to defend itself vigorously in each of these cases. Accordingly, no loss contingency has been accrued.

Other Contingencies

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

15. TAX ABATEMENT

The following information summarizes the PILOT agreements entered into by the City of Auburn IDA and the Cayuga County IDA relating to the District:

Year Began	Agreement/Property	Total Assessed Value	Abatement Rate	Pilot Taxable Value	School Tax Rate / 1000	Regular Taxable Amount	Pilot Payment Received	Taxes Abated
2012	Auburn Community	$ 7,666,700	Set Payment	$ 819,000	16.278227	$ 124,800	$ 13,332	$ 111,468
2014	Calamar (RM11)	9,141,600	90%	8,227,440	16.278227	148,809	133,928	14,881
2016	Carovail	1,176,900	70%	823,830	16.278227	19,158	13,411	5,747
2000	Central Building	4,051,400	Set Payment	58,000	16.278227	65,949	26,979	38,970
2013	Currier/ Gen West	3,186,300	70%	2,230,410	16.278227	51,867	36,307	15,560
1995	FLRR	785,500	Sale Based Fee	54,217	16.920673	13,291	7,304	5,987
2013	JBJ	5,755,700	Set Payment	131,155	16.278227	93,693	61,008	32,685
2010	Logan Lofts	2,314,100	54%	749,024	16.278227	37,670	12,193	25,477
2015	Mack Studios	2,027,900	Varies	824,679	16.278227	33,010	13,424	19,586
2003	Tessy	13,699,500	80%	8,800,000	16.278227	223,003	143,248	79,755
2012	NUCOR	14,601,100	40%	5,840,440	16.278227	237,680	95,072	142,608
2012	Seminary Commons	1,052,800	40%	421,120	16.278227	17,138	6,855	10,283
2014	WST33	2,895,500	40%	1,158,200	16.278227	47,134	19,026	28,108
2020	Prison City	2,179,200	30%	884,760	16.278227	35,473	14,402	21,071
						$ 1,148,675	$ 596,489	$ 552,186

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Actual (Budgetary)
REVENUE					
Local sources:					
Real property taxes	$ 34,949,503	$ 31,666,297	$ 31,676,232	$ -	$ 9,935
Other tax items	752,097	4,035,303	3,979,748	-	(55,555)
Charges for services	122,800	122,800	61,544	-	(61,256)
Use of money and property	102,000	102,000	1,298,353	-	1,196,353
Sale of property and compensation for loss	20,500	40,225	27,514	-	(12,711)
Miscellaneous	1,881,000	1,944,096	2,213,613	-	269,517
Total local sources	37,827,900	37,910,721	39,257,004	-	1,346,283
State sources	59,290,905	59,290,905	60,449,860	-	1,158,955
Medicaid reimbursement	350,000	350,000	492,876	-	142,876
Total revenue	97,468,805	97,551,626	100,199,740	-	2,648,114
EXPENDITURES					
General support					
Board of education	52,450	52,450	33,055	-	19,395
Central administration	283,092	283,092	283,026	-	66
Finance	668,123	665,823	537,120	-	128,703
Staff	1,526,404	1,590,744	1,475,846	-	114,898
Central services	9,036,611	9,299,724	8,863,623	-	436,101
Special items	1,488,651	1,472,140	1,585,536	-	(113,396)
Total general support	13,055,331	13,363,973	12,778,206	-	585,767
Instruction					
Instruction, administration & improvement	3,529,039	3,492,864	3,234,919	-	257,945
Teaching - regular school	24,652,883	24,808,505	23,030,829	-	1,777,676
Programs for students with disabilities	16,813,199	16,808,017	14,689,806	-	2,118,211
Occupational education	2,523,288	2,537,084	2,464,293	-	72,791
Teaching - special schools	321,806	321,806	207,737	-	114,069
Instructional media	3,594,380	3,667,916	2,368,079	-	1,299,837
Pupil services	2,984,040	3,025,498	3,002,597	-	22,901
Total instruction	54,418,635	54,661,690	48,998,260	-	5,663,430
Pupil transportation	3,800,680	3,801,680	3,642,673	-	159,007
Employee benefits	22,341,000	22,341,000	20,122,205	-	2,218,795
Capital outlay, net	-	30,435	30,435		-
Debt service - Principal	4,260,537	4,260,537	5,397,359	-	(1,136,822)
Debt service - Interest	2,267,626	2,267,626	2,471,960	-	(204,334)
Total expenditures	100,143,809	100,726,941	93,441,098	-	7,285,843
Excess (deficiency) of revenue over expenditures	(2,675,004)	(3,175,315)	6,758,642	-	9,933,957
OTHER FINANCING SOURCES (USES):					
Transfer from other funds	300,000	300,000	25,000	-	(275,000)
Transfers to other funds	(125,000)	(125,000)	(100,000)	-	25,000
Appropriations	2,500,004	2,500,000	-	-	(2,500,000)
Total other financing sources (uses)	2,675,004	2,675,000	(75,000)	-	(2,750,000)
NET CHANGE IN FUND BALANCE	$ -	$ (500,315)	6,683,642	$ -	$ 7,183,957
FUND BALANCE - beginning of year			27,188,632		
FUND BALANCE - end of year			$ 33,872,274		

AUBURN ENLARGED CITY SCHOOL DISTRICT

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended June 30, 2024

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service cost	$ 4,456	$ 5,905	$ 6,913	$ 6,348	$ 6,876	$ 6,289	$ 6,057	$ 5,723	Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.	
Interest	6,857	6,747	5,741	6,301	8,924	6,779	6,433	5,232		
Changes of benefit terms	(178)	(190)	(247)	(1,421)	(1,708)	(813)	72	-		
Differences between expected and actual experience	(4,743)	(30,808)	3,621	(10,332)	(59,841)	21,050	3,413	17,307		
Changes in assumptions	(5,519)	(30,446)	(22,592)	4,683	48,274	44,757	5,148	(12,897)		
Benefit payments	(6,759)	(6,936)	(7,330)	(7,305)	(7,009)	(2,881)	(2,595)	(2,403)		
Total change in total OPEB liability	(5,886)	(55,728)	(13,894)	(1,726)	(4,484)	75,181	18,528	12,962		
Total OPEB liability - beginning	183,707	239,435	253,329	255,055	259,539	184,358	165,830	152,868		
Total OPEB liability - ending	$ 177,821	$ 183,707	$ 239,435	$ 253,329	$ 255,055	$ 259,539	$ 184,358	$ 165,830		
Covered-employee payroll	$ 41,383	$ 39,972	$ 34,070	$ 32,937	$ 32,781	$ 31,759	$ 30,741	$ 30,741		
Total OPEB liability as a percentage of covered-employee payroll	429.7%	459.6%	702.8%	769.1%	778.1%	817.2%	599.7%	539.4%		

Notes to schedule:

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Discount rate	3.98%	3.78%	2.83%	2.27%	2.48%	3.44%	3.61%	3.80%	Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.	

The Single Discount Rate changed 3.98% to 3.78% effective June 30, 2024
The Salary scale changed from 3.53% to 3.42% effective June 30, 2024.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:
- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the Year Ended June 30, 2024

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.022%	0.021%	0.020%	0.020%	0.020%	0.019%	0.019%	0.018%	0.019%	0.018%
Proportionate share of the net pension liability (asset)	$ 3,209	$ 4,421	$ (1,519)	$ 20	$ 5,198	$ 1,404	$ 602	$ 1,645	$ 2,975	$ 612
Covered-employee payroll	$ 6,650	$ 6,572	$ 6,021	$ 6,283	$ 6,165	$ 6,033	$ 5,564	$ 5,468	$ 5,262	$ 4,915
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.25%	67.27%	-25.23%	0.32%	84.31%	23.27%	10.82%	30.08%	56.54%	12.45%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.187%	0.182%	0.172%	0.165%	0.162%	0.181%	0.181%	0.173%	0.175%	0.172%
Proportionate share of the net pension liability (asset)	$ 2,137	$ 3,496	$ (29,862)	$ 4,566	$ (4,218)	$ (3,075)	$ (1,373)	$ 1,848	$ (18,195)	$ (19,108)
Covered-employee payroll	$ 37,169	$ 33,164	$ 32,271	$ 29,249	$ 28,048	$ 29,368	$ 27,703	$ 28,632	$ 26,624	$ 37,432
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.75%	10.54%	-92.54%	15.61%	-15.04%	-10.47%	-4.96%	6.45%	-68.34%	-51.05%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

AUBURN ENLARGED CITY SCHOOL DISTRICT

Schedule of Contributions - Pension Plans (Unaudited)
For the Year Ended June 30, 2024

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 772	$ 641	$ 857	$ 841	$ 833	$ 813	$ 776	$ 791	$ 779	$ 924
Contributions in relation to the contractually required contribution	772	641	857	841	833	813	776	791	779	924
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 6,650	$ 6,572	$ 6,021	$ 6,283	$ 6,165	$ 6,033	$ 5,564	$ 5,468	$ 5,262	$ 4,915
Contributions as a percentage of covered-employee payroll	11.61%	9.75%	14.23%	13.39%	13.51%	13.48%	13.95%	14.47%	14.80%	18.80%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,563	$ 3,550	$ 3,163	$ 2,787	$ 2,485	$ 3,068	$ 2,894	$ 3,555	$ 3,722	$ 4,808
Contributions in relation to the contractually required contribution	3,563	3,550	3,163	2,787	2,485	3,068	2,894	3,555	3,722	4,808
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 37,169	$ 33,164	$ 32,271	$ 29,249	$ 28,048	$ 29,368	$ 27,703	$ 28,632	$ 26,624	$ 37,432
Contributions as a percentage of covered-employee payroll	9.59%	10.70%	9.80%	9.53%	8.86%	10.45%	10.45%	12.42%	13.98%	12.84%

SUPPLEMENTARY INFORMATION

AUBURN ENLARGED CITY SCHOOL DISTRICT

Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

		Misc. Special Revenue			
	School Lunch	Extra-classroom Activities	Scholarships	Debt Service	Total
ASSETS					
Cash and cash equivalents	$ 963,357	$ -	$ -	$ -	$ 963,357
Cash and cash equivalents - restricted	-	101,836	499,104	56,247	657,187
State and federal aid receivable	175,900	-	20	-	175,920
Due from other funds	-	-	-	5,507	5,507
Inventory	212	-	-	-	212
TOTAL ASSETS	$ 1,139,469	$ 101,836	$ 499,124	$ 61,754	$ 1,802,183
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES:					
Accounts payable	$ 145,324	$ -	$ -	$ -	$ 145,324
Accrued liabilities	-	-	6	-	6
Due to other funds	107,075	-	302,620	-	409,695
Unearned revenue	64,321	-	-	-	64,321
TOTAL LIABILITIES	316,720	-	302,626	-	619,346
FUND BALANCE					
Restricted	822,749	101,836	196,498	61,754	1,182,837
Total restricted fund balance	822,749	101,836	196,498	61,754	1,182,837
TOTAL FUND BALANCE	822,749	101,836	196,498	61,754	1,182,837
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND	$ 1,139,469	$ 101,836	$ 499,124	$ 61,754	$ 1,802,183

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

		Misc. Special Revenue			
	School Lunch	Extra-classroom Activities	Scholarships	Debt Service	Total
REVENUE:					
Use of money and property	$ 224	$ -	$ -	$ 15,840	$ 16,064
Miscellaneous	-	159,417	15,203	-	174,620
State sources	197,146	-	-	-	197,146
Federal sources	2,300,262	-	-	-	2,300,262
Sales - school lunch	79,821	-	-	-	79,821
Total revenue	2,577,453	159,417	15,203	15,840	2,767,913
EXPENDITURES:					
General support	-	151,020	-	-	151,020
Employee benefits	46,716	-	-	-	46,716
Cost of sales	2,362,125	-	-	-	2,362,125
Other expenditures	-	-	11,404	-	11,404
Total expenditures	2,408,841	151,020	11,404	-	2,571,265
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	168,612	8,397	3,799	15,840	196,648
OTHER SOURCES AND (USES):					
Operating transfers out	(25,000)	-	-	-	(25,000)
Total other sources (uses)	(25,000)	-	-	-	(25,000)
CHANGE IN FUND BALANCE	143,612	8,397	3,799	15,840	171,648
FUND BALANCE - beginning of year	679,137	93,439	192,699	45,914	1,011,189
FUND BALANCE - end of year	$ 822,749	$ 101,836	$ 196,498	$ 61,754	$ 1,182,837

OTHER INFORMATION (UNAUDITED)

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET		
Adopted budget		$ 100,268,809
Add: Prior year's encumbrances		469,876
Original budget		100,738,685
Budget revisions		113,256
Final budget		$ 100,851,941
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
2023-24 voter-approved expenditure budget	$ 104,404,172	
Maximum allowed (4% of 2023-24 subsequent year's budget):		$ 4,176,167
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance		2,500,000
Unassigned fund balance		14,483,255
Total unrestricted fund balance		$ 16,983,255
Less:		
Appropriated fund balance		$ 2,500,000
Total adjustments		2,500,000
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 14,483,255
Actual percentage		13.87%

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

	Authorization		Expenditures			
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Available Balance
Districtwide Building Project	$ 43,745,300	$ 43,745,300	$ 24,752,606	$ 7,376,342	$ 32,128,948	$ 11,616,352
	$ 43,745,300	$ 43,745,300	$ 24,752,606	$ 7,376,342	$ 32,128,948	$ 11,616,352

AUBURN ENLARGED CITY SCHOOL DISTRICT

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

Capital assets, net	$	89,957,861
Add:		
Deferred amounts on refunding		249,354
Unspent bond anticipation notes proceeds		12,778,030
Deduct:		
Short-term portion of leases	$	(961,426)
Long-term portion of leases		(1,199,244)
Short-term portion of bonds payable		(3,187,926)
Long-term portion of bonds payable		(31,078,710)
Short-term portion of installment debt payable		(580,270)
Long-term portion of installment debt payable		(3,277,555)
Capital Projects accounts payable		(1,242,395)
Net investment in capital assets	$	61,457,719

REPORT REQUIRED UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP
Accounting, Consulting & More

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

November 13, 2024

To the Board of Education of the
Auburn Enlarged City School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Auburn Enlarged City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2024.

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

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

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

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(Continued)

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

APPENDIX C

Form of Legal Opinion

LAW OFFICES
OF
Timothy R. McGill
248 WILLOWBROOK OFFICE PARK
FAIRPORT, NEW YORK 14450

Kristine M. Bryant
Paralegal

Tel: (585) 381-7470
Fax: (585) 381-7498

June 25, 2025

Board of Education of the
Auburn Enlarged City School District
Cayuga County, New York

Re: ***Auburn Enlarged City School District***
$19,495,000 Bond Anticipation Note, 2025 (Renewal)

Dear Board Members:

I have examined a record of proceedings relating to the issuance of a $19,495,000 principal amount Bond Anticipation Note, 2025 (Renewal) of the Auburn Enlarged City School District, a school district of the State of New York. The Note is [registered to _____________ / in book-entry-only form registered to "Cede & Co.,"] is dated June 25, 2025, is numbered 2025A-1, bears interest at the rate of _____________________ per centum (___%) per annum payable at maturity, matures June 25, 2026, and is issued pursuant to the Local Finance Law of the State of New York and a bond resolution adopted October 23, 2018. The proposition approving the matters set forth in the bond resolution was approved by the voters of the School District on January 8, 2019. The Note is not subject to redemption prior to maturity. The Note is a temporary obligation 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 Note is a valid and legally binding obligation of the Auburn Enlarged City School District, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Note is 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 Note 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 Note is excludable from gross income for federal income tax purposes under 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 Note is not a specific preference item for purposes of the federal alternative minimum tax; however, interest on the Note 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 Note. Further, in my opinion, interest on the Note is exempt from New York State and New York City personal income taxes under existing statutes.

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 Note 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 Note 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, sufficiency, completeness or fairness of the Official Statement or any factual information contained therein or any additional proceedings, reports, correspondence, financial statements or other documents containing financial or other information relative to the School District or the financed project and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Note, 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:

APPENDIX D

Material Event Notices

Material Event Notices

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) Defeasances

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

(k) rating changes

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

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

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

(o) Incurrence of a financial obligation 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 security holders, if material: and

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

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

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

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation: (ii) derivative instrument entered into in connection with, or pledged as a 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.

For the purposes of the event identified in paragraph (1) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

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

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