

OFFICIAL STATEMENT DATED JUNE 4, 2025

RENEWAL

BOND ANTICIPATION NOTES

In the opinion of Hodgson Russ LLP of Buffalo, New York, Bond Counsel, under the existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain tax certification described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), as amended. Bond Counsel is also of the opinion that the interest on the Notes is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We observe that interest on the Note will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See "TAX EXEMPTION" herein.

The Notes WILL be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

**COOPERSTOWN CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK
(the "District" or the "School District")**

**\$6,540,000
BOND ANTICIPATION NOTES (RENEWAL), 2025
(the "Notes")**

**At an Interest Rate of 3.75% to Yield 3.26%
CUSIP #216872 EF4**

Dated: June 25, 2025

Due: June 25, 2026

Security and Source of Payment: 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. Unless paid from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York). See "TAX LEVY LIMITATION LAW" herein.

Prior Redemption: The Notes will not be subject to redemption prior to maturity.

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

To the extent that 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. In such event, individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Initial purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payment of the 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. See "DESCRIPTION OF THE NOTES - Book-Entry-Only System" herein.

Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the legal opinion as to the validity of the Notes of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, and certain other conditions. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about June 25, 2025.

JANNEY MONTGOMERY SCOTT

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED MAY 23, 2025 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE AND THE DATED DATE ON PAGE 39, THERE HAVE BEEN NO MATERIAL REVISIONS TO SAID OFFICIAL STATEMENT.

**COOPERSTOWN CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK**

School District Officials

2024-2025 BOARD OF EDUCATION

Pete Iorizzo - President
Lynne Mebust - Vice President

Christopher Franck
Cody Moore
Mary Beth Murdock
Keith Parr
Dr. William Streck

.....

Sarah Spross - Superintendent
Amy Kukenberger – Assistant Superintendent of Business and Operations
Maria Field – District Clerk

.....

School District Attorney

Ferrara Fiorenza PC
Girvin & Ferlazzo, P.C.

BOND COUNSEL

Hodgson Russ LLP

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
COOPERSTOWN CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK
(the “District”)

\$6,540,000
Bond Anticipation Notes (Renewal), 2025
(the “Notes”)

This Official Statement, which includes the cover page, has been prepared by the Cooperstown Central School District, Otsego County, New York (the “District” or the “School District,” “County” and “State,” respectively) in connection with the sale by the District of its \$6,540,000 Bond Anticipation Notes (Renewal), 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.

Statements in this Official Statement, and the documents included by specific reference, which are not historical facts are forward-looking statements, which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff.

DESCRIPTION OF THE NOTES

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

The Notes are general obligations of the District and will contain a pledge of its faith and credit of the District for payment of the principal of and interest on the Notes, as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). Unless paid for from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, sufficient to pay such principal and interest as the same become due, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See “TAX LEVY LIMITATION LAW,” herein.

The Notes will be issued in registered form. At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s), with principal of and interest on the Notes being 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(s). In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Alternatively, the Notes may be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), with DTC acting as securities depository for the Notes. See “Book-Entry-Only System,” herein. Under the DTC scenario, one fully registered note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number, each in the aggregate principal amount of such issue, and purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (federal funds) by the District directly to DTC for its nominee, Cede & Co.

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the control of the District. See “MARKET AND RISK FACTORS,” herein.

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 and the Local Finance Law, and pursuant to a bond resolution dated that was duly adopted by the Board of Education (the “Board”) on March 4, 2020 authorizing the issuance of up to \$5,163,000 of serial bonds to finance a District-wide capital improvement project and also a bond resolution dated January 19, 2022 authorizing the issuance of \$2,500,000 serial bonds to finance a capital project consisting of the reconstruction and renovation of, and the construction of improvements and upgrades to various School District buildings and facilities.

The proceeds of the Notes, together with \$254,000 available funds, will redeem and renew the \$6,794,000 Note maturing June 26, 2025..

Book-Entry-Only System

The following is relevant only if the Notes are issued in book-entry form. DTC 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, who 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 nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The District may decide to discontinue use of the system of book-entry-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

At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s). In such event, 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 as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof.

Security and Source of Payment

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

The Notes are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy *ad valorem* taxes on all of the taxable real property in the District without limitation as to rate or amount, subject to certain statutory limitation imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW," herein.

Under the State Constitution, the District is required to pledge its faith and credit for the payment of principal of and interest on the Notes and the State is specifically precluded from restricting the power of the District to levy taxes on real property therefor. See the discussion under "TAX LEVY LIMITATION LAW," herein.

Remedies of Noteholders on Default

Section 99-b of the State Finance Law ("SFL") provides for a covenant between the State 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 of SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Such Section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond or note 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 or note. 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 or notes 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 or notes 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 or notes 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 or notes shall be forwarded promptly to the paying agent or agents for the bonds or notes in default of such school district for the sole

purpose of the payment of defaulted principal of and interest on such bonds or notes. 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 or notes 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 or notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds or notes 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 or notes pursuant to such section of the SFL.

Under current law, provision is made for contract creditors (including holders of the Notes) of the District to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. 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 out of current funds or the proceeds of a tax levy.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require exercise by the State of its emergency police power to assure the continuation of essential public service.

Special Provisions Affecting Remedies Upon Default

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgement or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

In accordance with a general rule with respect to municipalities, judgements against the District may not be enforced to levy and execution against property owned by the District.

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

Under the Bankruptcy Code, a petition may be filed in federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Bankruptcy Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors, and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The District has the legal capacity to file a petition under the Bankruptcy Code.

It might be asserted that under the Bankruptcy Code interest and principal debt service payments made by the District within 90 days of the District filing a bankruptcy petition were voidable preferences. In the event these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

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

ground that it violated the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

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

No principal or interest payment on District indebtedness is past due. The District has never defaulted on the payment of principal of or interest of any indebtedness.

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York, in the north-central sector of Otsego County. The City of Albany is approximately 70 miles to the east, the City of Utica, approximately 50 miles northwest and the City of Oneonta, 20 miles to the south. Major highways serving the District include New York State Routes 20, 28, 80, 166 and 205, as well as Interstate 88.

With a land area of approximately 99.4 square miles, the District is residential and agricultural in nature. The Village of Cooperstown (the “Village”), with a current estimated population of 1,853 and a land area of 1.8 square miles is the commercial center within the District and the County seat. The Village is best known for its various internationally known museums, including the National Baseball Hall of Fame and Museum, the Fenimore House Museum and the Farmers’ Museum.

District Population

The 2023 population of the School District was estimated to be 6,280. (Source: 2023 U.S. Census Bureau estimate)

Economic Developments

Bassett Healthcare is currently planning a housing development with 36 apartments and 12 townhouses within the District’s boundaries and is exploring the possibility of opening a day care center. The District and Bassett Healthcare are currently collaborating on ways to support Bassett’s recruitment of practitioners to proactively assure the District’s programs can meet the needs of incoming students.

A local contractor recently built a 13-apartment house in the Village.

LLC (Vecino Group) has applied to the Otsego County Industrial Development Agency (OCIPA) for a payment in lieu of taxes to build a 50 unit multi-family affordable housing development.

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Village of:						
Cooperstown	\$53,153	\$45,800	\$56,794	\$92,813	\$88,036	\$113,188
Towns Of:						
Burlington	\$28,298	\$22,245	40,827	\$64,474	\$50,962	88,125
Hartwick	35,566	27,437	38,717	86,569	71,316	86,923
Middlefield	34,785	34,280	40,275	76,667	63,438	109,167
New Lisbon	41,470	27,346	42,231	88,365	59,688	102,500
Otsego	50,545	39,781	55,225	99,700	82,692	112,734
County Of:						
Otsego	30,223	24,989	36,506	71,686	62,717	84,415
State Of:						
New York	40,898	34,212	49,520	87,270	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

<u>Name</u>	<u>Grades</u>	<u>Year Built</u>	<u>Current Maximum Capacity</u>	<u>Date of Last Addition or Alteration</u>
Cooperstown Elementary School	K-6	1954	756	2024
Cooperstown Jr.-Sr. High School	7-12	1968	850	2024

Source: District Officials

District Employees

The School District employs 152 full-time and 19 part-time employees. The number of members, the collective bargaining units which represent them, and their current contract expiration dates are as follows:

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
Cooperstown Central School Faculty Association	75	6/30/2026
Cooperstown Central School Service Unit	79	6/30/2027
Cooperstown Central School Administrators Assoc.	2	6/30/2024*
Various Contractual Agreements	15	Various

*Currently under negotiations.

Source: District Officials

Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2020-21	786	2025-26	765
2021-22	817	2026-27	761
2022-23	796	2027-28	757
2023-24	791	2028-29	753
2024-25	769	2029-30	749

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, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).

- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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 State’s enacted budget for the 2024-25 fiscal year, which was signed into law on April 22, 2024, further reformed Tier 6 by changing the final average year salary to determine a public employee’s retirement benefit from the highest five consecutive years to the highest three consecutive years, and by extending the two-year exclusion of overtime earnings when determining a Tier 6 member’s contribution rate to their pension benefit.

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 2024-25 and proposed budget for the 2025-26 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$331,319	\$649,944
2020-2021	336,681	535,150
2021-2022	327,565	549,173
2022-2023	256,077	567,388
2023-2024	313,187	610,204
2024-2025 (Budgeted)	396,692	696,000
2025-2026 (Proposed)	417,757	676,190

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budget of the District for the 2024-2025 and the proposed budget of the District for the 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 have an early retirement incentive program. The program starts at \$10,000 after 10 years which increases by \$667 and then maxes out at \$20,000 as long as they are within the 365 days after the teacher first became eligible to retire under the NYSTRS.

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 from 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 (2021 to 2026) is show below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
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 the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 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. On May 8, 2019, the District established a reserve fund for the purpose of funding the cost of TRS contributions.

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 - 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 July 30, 2023 and financial data as of June 30, 2024, the School District's beginning year total OPEB liability was \$37,827,436 the net change for the year was \$1,252,446 resulting in a total OPEB liability of \$39,079,882 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

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Bassett Healthcare	Hospital	5,000*
SUNY College at Oneonta	Education	1,181
A.O. Fox Hospital	Hospital	950
County of Otsego	Government	850
NY Central Mutual Fire Insurance Co.	Insurance	>800

*Includes locations outside of County of Otsego

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 Otsego County. The data set forth below with respect to the County 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 County or vice versa.

Year	Otsego County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2020	7.0%	9.8%	8.3%
2021	4.7%	7.1%	5.3%
2022	3.7%	4.3%	3.5%
2023	4.0%	4.1%	3.6%
2024	4.1%	4.3%	4.0%

2024-2025 Monthly Figures

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Otsego	3.7%	3.6%	4.0%	4.4%	4.2%	3.2%	3.2%	3.6%	4.1%	5.3%	5.4%	4.8%
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 "Board"), which is the policy-making body of the District, consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board. The President and the Vice President are selected by the Board members.

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 2022-2023 fiscal year was adopted by qualified voters on May 17, 2022 by a vote of 393 to 106. The budget for the 2022-2023 fiscal year called for a tax levy increase of 2.54% which was equal to the District's maximum allowable tax levy increase of 2.54% for the 2022-2023 fiscal year. The tax levy increase for the 2022-2023 fiscal year was \$321,802. The 2022-2023 budget was adopted by the Board of Education on April 20, 2022.

The budget for the 2023-2024 fiscal year was adopted by qualified voters on May 16, 2023 by a vote of 235 to 42. The budget for the 2023-2024 fiscal year called for a tax levy increase of 3.04% which was equal to the District's maximum allowable tax levy increase of 3.04% for the 2023-2024 fiscal year. The tax levy increase for the 2023-2024 fiscal year was \$394,216.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 463 to 86. The budget for the 2024-2025 fiscal year called for a tax levy increase of 2.26% which is equal to the District's maximum allowable tax levy increase of 2.26% for the 2024-2025 fiscal year. The tax levy increase for the 2024-2025 fiscal year was \$302,236.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2025-26 fiscal year, approximately 30.89% 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	\$ 19,181,402	\$ 6,149,947	32.06%
2020-2021	19,547,617	6,197,901	31.71
2021-2022	20,159,025	6,397,883	31.74
2022-2023	20,564,868	6,751,835	32.83
2023-2024	22,342,059	7,126,181	31.90
2024-2025 (Budgeted)	21,697,211	6,954,920	32.05
2025-2026 (Proposed)	22,354,942	6,905,370	30.89

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budget of the District for the 2024-2025 fiscal year and the proposed budget of the District for the 2025-2026 fiscal year. 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 Office of the State Comptroller 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 it in one of the three established stress categories.

The reports of State Comptroller for the past five fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	3.3

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 October 4, 2024. The purpose of the audit was to determine whether the District officials properly managed the District's fund balance and reserves for the period of July 1, 2020 to December 31, 2023.

Key Findings

The Board and District officials did not properly manage fund balance and reserves. As a result, the Board and District officials were not transparent with taxpayers and levied more taxes than necessary to fund operations. From fiscal years 2020-21 through 2022-23, the Board and District officials:

- Overestimated appropriations by a total of over \$5.5 million and appropriated \$2.6 million of fund balance that was not needed, while generating operating surpluses totaling approximately \$3.2 million. Appropriating fund balance that is not needed artificially reduces the amount of surplus fund balance subject to the statutory limit, giving the appearance that surplus fund balance is closer to the statutory limit.
- Improperly held \$500,000 in a debt reserve that should have been returned to the general fund and maintained an unreasonably high balance in three of the District's seven reserves.
- Reported the 2022-23 surplus fund balance was in line with the statutory limit; however, we determined it exceeded the statutory limit by \$2.3 million when including unused appropriated fund balance and funds improperly held in the debt reserve.
- Did not transparently fund reserves through budgetary entries and could have used reserve funds to pay for related expenditures, but instead paid these expenditures with current years' funds.

Recommendations

The audit report includes five recommendations which, if implemented, would improve the Board and District officials' financial management practices.

District officials agreed with the recommendations and indicated they have begun to initiate corrective action.

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

Fiscal Year Ended June 30:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuations:						
Burlington	\$830,247	\$830,247	\$830,247	\$830,247	\$830,247	\$2,179,109
Hartwick	207,232,378	208,170,135	208,720,448	209,208,103	209,933,881	211,636,140
Middlefield	126,989,133	128,307,111	129,561,293	131,216,074	131,138,908	131,367,187
New Lisbon	248,687	248,687	248,487	248,487	248,308	248,800
Otsego	<u>663,253,577</u>	<u>662,010,519</u>	<u>667,176,651</u>	<u>669,630,799</u>	<u>673,189,913</u>	<u>675,812,016</u>
Total	<u>\$998,554,022</u>	<u>\$999,566,699</u>	<u>\$1,006,537,126</u>	<u>\$1,011,133,710</u>	<u>\$1,015,341,257</u>	<u>\$1,021,243,252</u>

Equalization Rates:

Burlington*	49.10%	49.00%	49.00%	43.22%	48.00%	100.00%
Hartwick	100.00%	100.00%	100.00%	90.23%	86.80%	82.18%
Middlefield	67.51%	70.00%	67.00%	63.00%	58.30%	52.00%
New Lisbon	106.22%	100.00%	100.00%	91.00%	81.00%	81.00%
Otsego	100.00%	100.00%	100.00%	90.94%	82.00%	74.00%

Full Valuations:

Burlington	\$1,690,931	\$1,694,382	\$1,694,382	\$1,920,978.71	\$1,729,681.25	\$2,179,109.00
Hartwick	207,232,378	208,170,135	208,720,448	231,860,914	241,859,310	257,527,549
Middlefield	188,104,182	183,295,873	193,375,064	208,279,483	224,938,093	252,629,206
New Lisbon	234,124	248,687	248,487	273,063	306,553	307,160
Otsego	<u>663,253,577</u>	<u>662,010,519</u>	<u>667,176,651</u>	<u>736,343,522</u>	<u>820,963,309</u>	<u>913,259,481</u>
Total	\$1,060,515,192	\$1,055,419,595	\$1,071,215,032	\$1,178,677,960	\$1,289,796,945	\$1,425,902,506

*Revaluation took place in 2024.

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.

Tax Rate per \$1,000 Assessed Value

Fiscal Year Ending June 30:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Burlington	\$ 22.93	\$ 23.78	\$ 23.82	\$ 25.40	\$ 21.59	\$ 9.59
Hartwick	11.65	11.85	11.86	12.20	11.94	11.66
Middlefield	17.01	16.70	17.50	17.47	17.77	18.43
New Lisbon	11.16	11.65	11.67	12.06	12.79	11.83
Otsego	11.59	11.82	11.82	12.10	12.64	12.95

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st and a 3% penalty after November 1st. On or about November 15th, uncollected taxes are returnable to the County for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Tax Collection Record

Fiscal Year Ended June 30:	2021	2022	2023	2024	2025*
Total Tax Levy	\$11,907,868	\$12,119,744	\$12,467,200	\$12,898,885	\$13,218,035
Amount Uncollected	955,079	748,568	752,482	847,581	858,423
% Uncollected	8.02%	6.18%	6.04%	6.57%	6.49%

* Taxes collected as of 12/17/2024.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	\$ 19,181,402	\$ 11,703,948	71.14%
2020-2021	19,547,617	11,907,871	60.92
2021-2022	20,159,025	12,647,522	62.74
2022-2023	20,564,868	12,969,525	63.07
2023-2024	22,342,059	13,347,601	59.74
2024-2025 (Budgeted)	21,697,211	13,668,144	62.99
2025-2026 (Proposed)	22,354,942	14,000,078	62.63

Source: Audited financial statements for the 2019-2020 fiscal year through 2023-2024 fiscal year and the adopted budget of the District for the 2024-2025 fiscal year and the proposed budget of the District for the 2025-26 fiscal year. This table is not audited.

Major Taxpayers 2024

For 2024-25 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Full Value</u>
Leatherstocking Corporation	Various	\$28,592,800
Cooperstown Properties LLC	Various	13,931,200
Clark Foundation	Various	11,587,303
Clark Jane F II	Various	9,871,450
NYSEG	Utility	9,290,505
Templeton Foundation	Various	8,263,400
Otsego Electric Coop, Inc.	Utility	5,593,596
Hager Louis B Jr	Various	5,263,700
Crown Hospitality Group, LLC	Commercial	4,829,900
Rainbow Group of Cooperstown, INC.	Commercial	4,400,000
		<hr/>
		\$101,623,854

1. The above taxpayers represent 7.13% of the School District's 2024-25 Full value of \$1,425,902,506

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

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.

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 modified the then-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.

On June 25, 2015, Chapter 20 of the 2015 Laws of New York amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016, to June 15, 2020. The State's enacted budget for the fiscal year ending March 31, 2020, made the Tax Levy Limitation Law permanent.

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 28 tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures" are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy," and is an exclusion from the tax levy limitation, applicable to the Notes. The State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the year 2020-2021 school year, to adjust the exclusion to reflect a school district's share of capital expenditures related to projects funded through a board of cooperative education services ("BOCES").

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 may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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 laws, 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. (a) Such obligations are authorized for an object or purpose of which the District is not authorized to expend money; or
(b) The provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with;

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of the notice; or

2. Such obligations were authorized in violation of the provisions of the Constitution of New York.

The District typically complies with this estoppel procedure, and it has done so with respect to the bond resolution pursuant to which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell

the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

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 two years from the date of the first issuance of such notes and provided that such renewal issues do not exceed five years beyond the original date of borrowing. Additionally, in response to the COVID-19 pandemic, legislation has been adopted that allows certain bond anticipation notes originally issued between 2015 and 2021 to be renewed up to seven years prior to the issuance of serial bonds.

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	\$7,415,000	\$6,340,000	\$5,485,000	\$4,620,000	\$3,735,000
Bond Anticipation Notes		1,500,000	5,204,000	5,016,000	6,795,000
Other Debt ¹	393,212	643,243	775,121	588,097	0
Total Debt Outstanding	\$7,808,212	\$8,483,243	\$11,464,121	\$10,224,097	\$10,530,000

¹ Represents various operating leases

Status of Outstanding Bond Issues

Year of Issue:	2019 A		2021	
Amount Issued:	\$6,205,000		\$2,200,000	
Purpose/Instrument:	DASNY-Capital Project		Refunding Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$320,000	\$147,350	\$470,000	\$12,200
2026	335,000	131,350	-	-
2027	355,000	114,600	-	-
2028	370,000	96,850	-	-
2029	390,000	78,350	-	-
2030	410,000	58,850	-	-
2031	430,000	38,350	-	-
2032	365,000	25,450	-	-
2033	<u>290,000</u>	<u>14,500</u>	<u>-</u>	<u>-</u>
Totals:	\$ 3,265,000	\$ 705,650	\$ 470,000	\$ 12,200

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>%Paid</u>
2025	\$ 790,000	\$ 159,550	\$ 949,550	21.32%
2026	335,000	131,350	466,350	31.80%
2027	355,000	114,600	469,600	42.34%
2028	370,000	96,850	466,850	52.83%
2029	390,000	78,350	468,350	63.35%
2030	410,000	58,850	468,850	73.88%
2031	430,000	38,350	468,350	84.39%
2032	365,000	25,450	390,450	93.16%
2033	290,000	14,500	304,500	100.00%
Totals:	\$ 3,735,000	\$ 717,850	\$ 4,452,850	

Cash Flow Borrowings

The School District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Status of Short-Term Indebtedness

<u>Type</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
BAN	6/26/2024	6/26/2025	4.50%	\$6,794,000*

*To be paid in full with the proceeds of this issue, together with \$254,000 available funds.

Other Obligations

<u>Type</u>	<u>Year End Date</u>	<u>Amount</u>
Bus Lease 2019-20	8/20/2024	\$51,900.00
ONC BOCES (Equip.) 2020-21	6/30/2025	2,716.00
BT BOCES (Equip) 2020-21	6/30/2025	14,511.86
Bus Lease 2020-21	8/15/2025	56,601.00
Citi BOCES 2022-23 (Equip.)	12/15/2025	16,239.93
ONC BOCES (Equip.) 2021-22	6/30/2026	26,176.60
BT BOCES (Equip 2021-22	6/30/2026	10,423.67
Bus Lease 2021-22	8/26/2026	56,325.00
Citi BOCES (Equip) 2021-22	10/8/2026	5,201.98
Quadient Lease -Postage Machine	6/7/2027	151.42
Bus Lease 2022-23	6/30/2027	Various
ONC BOCES 2022-23 (Equip.)	6/30/2027	13,600.00
BT BOCES 2022-23 (Equip.)	6/30/2027	17,862.17
IPA - Cannon Copiers	6/30/2027	16,000.87
Tech IPA & Copier	12/15/2027	16,220.45
BT BOCES 2023-24 (Equip.)	6/30/2028	22,385.84
Santander - MLA Buses (two 63 passenger) 2023-24	6/30/2029	Various
Santander - MLA Buses (one 30+ passenger) 2023-24	6/30/2029	Various
Santander - MLA Buses (64 passenger) 2024-25	6/30/2029	88,110.00

Capital Project Plans

On December 17, 2019, District voters authorized the issuance of \$5,163,000 serial bonds to finance a District-wide capital improvement project. The District issued \$1,500,000 Bond Anticipation Notes on August 27, 2020 representing the first borrowing against this authorization. The District issued \$3,500,000 Bond Anticipation Notes on August 26, 2021 to renew in full the Bond Anticipation Notes that matured August 27, 2021 and provide \$2,000,000 of new money for the project. On December 14, 2021, District voters authorized a \$2,500,000 referendum for additional construction costs for the project. On June 28, 2022, the District issued \$5,204,000 Bond Anticipation Notes, which along with \$296,000 available funds of the District, redeemed \$3,500,000 Bond Anticipation Notes which matured on June 30, 2022 and provided \$2,000,000 new monies for the project. The District issued \$5,016,000 Bond Anticipation Notes in renewal monies for this project on June 27, 2023. On June 26, 2024, the District issued \$6,794,000 Bond Anticipation Notes which, along with \$385,000 available funds, renewed the maturing \$5,016,00 Note and provided an additional \$2,163,000 of new monies. The proceeds of this Bond Anticipation Note, along with \$254,000 available funds, will redeem and partially renew the maturing \$6,794,000 Bond Anticipation Note.

On May 16, 2023, the voters of the District approved a proposition for the leasing of two 63-passenger and one 30-passenger wheelchair accessible bus for an annual lease cost of \$90,400 or a total amount not to exceed \$452,00 over 5 years.

On May 21, 2024, the voters of the District approved a proposition for the leasing of three 63-passenger buses and one 29-passenger bus for an annual lease cost not to exceed \$108,198 or a total amount not to exceed \$540,990 over 5 years, commencing July 1, 2024 and terminating on June 30, 2029.

The District is anticipating taking before the voters a proposed capital project in December 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 71.8%.

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 23, 2025

<u>Town</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization</u> <u>Rate</u>	<u>Taxable Full Valuation</u>
Burlington	\$ 2,179,109	100.00%	\$ 2,179,109
Hartwick	211,636,140	82.18%	257,527,549
Middlefield	131,367,187	52.00%	252,629,206
New Lisbon	248,800	81.00%	307,160
Otsego	675,812,016	74.00%	913,259,481
Total			\$ 1,425,902,506
Debt Limit: 10% of Full Valuation			\$ 142,590,251
 Inclusions:			
Serial Bonds			\$ 3,735,000
Bond Anticipation Notes			6,794,000
Total Inclusions:			\$ 10,529,000
 Exclusions:			
Building Aid Estimate ¹			\$0
Total Exclusions:			\$0
 Total Net Indebtedness Before Giving Effect to This Issue:			 \$ 10,529,000
New Monies This Issue:			-
 Total Net Indebtedness After Giving Effect to This Issue:			 \$ 10,529,000
Net Debt Contracting Margin			\$ 132,061,251
Percentage of Debt-Contracting Power Exhausted			7.38%

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

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u>	¹	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Otsego County	\$ 1,425,902,506						
	\$ 5,369,223,237	26.56%	\$ -		N/A	\$ -	\$ -
Town of Burlington	\$ 2,179,109						
	\$ 106,525,180	2.05%	\$ -		N/A	\$ -	\$ -
Town of Hartwick	\$ 257,527,549						
	\$ 271,990,441	94.683%	\$ 1,740,571		N/A	\$ 1,740,571	\$ 1,648,017
Town of Middlefield	\$ 252,629,206						
	\$ 319,462,330	79.08%	\$ -		N/A	\$ -	\$ -
Town of New Lisbon	\$ 307,160						
	\$ 116,771,824	0.26%	\$ 2,750,000		N/A	\$ 2,750,000	\$ 7,234
Town of Otsego	\$ 913,259,481						
	\$ 913,259,481	100.00%	\$ 36,841		N/A	\$ 36,841	\$ 36,841
Village of Cooperstown	\$ 338,728,379						
	\$ 338,728,379	100.00%	\$ 11,113,630		N/A	\$ 11,113,630	<u>\$ 11,113,630</u>
Total							<u><u>\$ 12,805,722</u></u>

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

Notes: Bonds and Bond Anticipation notes as of 2023 fiscal year. Not adjusted to include subsequent bond and note sales

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 23, 2025:

	Amount	Per Capita	(a) Percentage of Full Value	(b)
Net Indebtedness	\$ 10,529,000	\$ 1,676.59	0.738%	
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 23,334,722	\$ 3,715.72	1.636%	

(a) The District's estimated population is 6,280. (Source: 2023 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2024-25 is \$1,425,902,506.

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

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. One such risk is that the District will be unable to promptly pay interest and principal on the Notes as they become due (see “Remedies of Noteholders on Default,” herein). If a Noteholder elects to sell his or her investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition, there may be other risk factors which a potential 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.

There are a number of factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected revenue increase in tax certiorari proceedings could result in a reduction in the assessed valuation of taxable real property in the District. In addition, to the extent that the District is dependent on State aid, there can be no assurance that such aid will be continued in the future. Unforeseen developments could also result in substantial increases in District expenditures, thus placing considerable strain on the District’s financial condition.

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

If and when a holder of any Note should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates, if interest rates rise. The price of a Note will decline, causing the Noteholder to incur a capital loss upon the sale of such Note (unless such Note is held to maturity).

On December 22, 2017, former-President Trump signed into law the significant tax reform legislation that is generally referred to as the “Tax Cuts and Jobs Act of 2017” (the “TCJA”). The TCJA made significant changes to the Code, most of which became effective for the 2018 tax year. The TCJA made extensive changes to the deductibility of various taxes, including placing a cap of \$10,000 on a taxpayer’s deduction of state and local taxes.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376). This legislation will impose a minimum tax of 15 percent on the “adjusted financial statement income” of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with at least \$1 billion in average annual earnings, and certain foreign-parented multinational corporations with at least \$100 million in average annual earnings, determined over a three-year period. For this purpose, adjusted financial statement income is not reduced for interest and earned on tax-exempt obligations. Prospective holders of the Notes that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Notes.

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 against 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

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel will deliver an opinion that, under existing law, the interest on the Notes is excluded from gross income, of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes. We observe that interest on the notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Such opinion will state 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).

In rendering the foregoing opinion, Hodgson Russ LLP will note that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to among other things, continuing compliance by the District with the applicable requirements of Sections 141, 148 and 149 of the Code and regulations promulgated thereunder (collectively, the “Tax Requirements”). In the opinion of Hodgson Russ LLP, the tax certificate and the non-arbitrage certificate that will be executed and delivered by the District in connection with the issuance of the Notes (collectively, the “Certificates”) establish the requirements and procedures, compliance with which will satisfy the Tax Requirements applicable to the Notes.

The Tax Requirements referred to above, which must be complied with in order that interest on the Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1. The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a “private activity bond” within the meaning of Code Section 141;
2. The requirement contained in Code Section 148 relating to arbitrage bonds; and
3. The requirement the payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Section 149(b) of the Code.

In the Certificates, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporation, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal tax consequences.

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Notes under Code Section 3406, if such holder fails to provide the information required on Internal Revenue Service (“IRS”) form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Notes from gross income for federal income tax purposes.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments, and revisions and proposals for future changes are regularly submitted by leaders of the legislative and executive branches of the federal government. No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes. Prospective purchasers are encouraged to consult their own legal and tax advisors with respect to these matters.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the School District, such opinion to be delivered with the Notes.

DISCLOSURE UNDERTAKING

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, unless the Notes are purchased for the purchaser's own account, as principal for investment and not for resale, the School District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as "Appendix C". A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Bonds as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

The School District has established procedures designed to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System.

LITIGATION

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

The District currently has two lawsuits captioned Jane Doe 125 and Jane Doe 126 v. Cooperstown Central School District that are pending in the New York State Supreme Court, County of Otsego. The lawsuits allege that a former employee of the District sexually exploited the plaintiffs in 2019 and 2020 when the plaintiffs attended school at the School District. The Plaintiffs are seeking compensatory damages of \$2,000,000 each against the District, as well as such other relief as the Court may grant. The District intends to vigorously defend the case. At this time, it is premature to offer an opinion as to the likelihood of an unfavorable outcome, or an estimate of the potential loss.

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

BOND RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District.

Moody's Investors Service has assigned a rating of "A1" to the District's outstanding serial bonds. **This issue will be paid off June 15, 2025.**

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. Any desired explanation of the significance of such ratings should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

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

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

The execution and delivery of this Official Statement have been duly authorized by the Board. 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 therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness or fairness, the District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the District and no material adverse changes in the general affairs of the District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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.

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, to the District, expresses no opinion 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.

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 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.

The School District's contact information is as follows: Amy Kukenberger, Assistant Superintendent for Business & Operations; phone: (607) 547-5386; email: akukenberger@cooperstowncs.org.

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 x5 or at www.RGTimbsInc.net.

Cooperstown Central School District

Dated: June 4, 2025
Cooperstown, New York

Pete Iorizzo
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:	Budget					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Beginning Fund Balance - July 1	\$3,316,671	\$3,476,506	\$5,247,209	\$6,068,598	\$6,646,060	\$7,881,855 ^E
<u>Revenues:</u>						
Real Property Taxes	\$11,703,948	\$11,907,871	\$12,647,522	\$12,969,525	\$13,347,601	\$13,668,144
Other Tax Items	676,130	642,539	94,591	99,672	108,656	105,044
Charges for Services	162,664	182,660	253,735	278,456	272,150	146,503
Use of Money & Property	100,772	6,057	14,949	271,049	526,007	255,000
Sale of Property/Comp. for Loss	59,611	856	44	5,643	20,461	0
Miscellaneous	309,131	381,592	130,933	146,910	121,051	80,000
State Aid	6,149,947	6,197,901	6,397,883	6,751,835	7,126,181	6,954,920
Federal Aid	19,199	228,141	70,646	0	0	25,000
Medicaid Reimbursement	0	0	0	0	20,715	0
Interfund Transfer	<u>0</u>		<u>548,722</u>	<u>41,778</u>	<u>799,237</u>	<u>462,600</u>
Total Revenues	\$19,181,402	\$19,547,617	\$20,159,025	\$20,564,868	\$22,342,059	\$21,697,211
<u>Expenditures:</u>						
General Support	\$2,463,805	\$2,130,712	\$2,234,483	\$2,476,064	\$2,656,442	\$3,105,912
Instruction	8,575,646	8,358,736	8,585,309	9,128,535	9,462,464	10,791,312
Transportation	818,570	749,222	652,622	723,592	965,342	1,105,347
Community Services	0	0	0	0	0	0
Employee Benefits	5,507,804	4,761,368	5,078,031	5,651,701	5,520,681	6,272,061
Debt Service	1,396,189	1,393,538	2,407,070	1,876,458	2,063,910	1,477,910
Capital Outlay	0	0	0	0	142,562	0
Interfund Transfer	<u>259,553</u>	<u>383,338</u>	<u>380,121</u>	<u>131,056</u>	<u>294,863</u>	<u>200,000</u>
Total Expenditures	\$19,021,567	\$17,776,914	\$19,337,636	\$19,987,406	\$21,106,264	\$22,952,542
Adjustments	0	0	0	0	0	0
Year End Fund Balance	\$3,476,506	\$5,247,209	\$6,068,598	\$6,646,060	\$7,881,855	\$6,626,524 ^E
Excess (Deficit) Revenues Over Expenditures	\$159,835	\$1,770,703	\$821,389	\$577,462	\$1,235,795	(\$1,255,331) 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	\$14,000,078
Other Tax Items	107,885
Charges for Services	146,632
Use of Money & Property	255,000
Sale of Property	0
Miscellaneous	80,000
State Aid	6,905,370
Federal Aid	25,000
Interfund Transfers	834,977
Appropriated Fund Balance	1,405,331
Total Revenues	<u>\$23,760,273</u>

Expenditures:

General Support	\$3,131,333
Instruction	10,968,756
Transportation	1,222,417
Employee Benefits	6,706,479
Debt Service	1,531,288
Interfund Transfers	200,000
Total Expenditures	<u>\$23,760,273</u>

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

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assets:					
Unrestricted Cash	\$1,347,348	\$2,315,377	\$2,959,267	\$2,213,628	\$2,342,161
Restricted Cash	1,989,937	2,938,535	3,058,156	4,129,544	5,622,498
Due from Other Funds	694,736	432,700	477,892	677,308	495,359
State and Federal Aid Receivable	96,811	258,175	195,281	258,601	289,680
Due from Other Governments	170,441	233	214,590	247,744	164,878
Other Receivables	47,856		16,128	33,797	47,995
Total Assets	<u>\$4,347,129</u>	<u>\$5,945,020</u>	<u>\$6,921,314</u>	<u>\$7,560,622</u>	<u>\$8,962,571</u>
Liabilities:					
Accounts Payable & Accrued Liabilities	\$143,536	\$218,823	\$108,064	\$75,907	\$293,799
Compensated Absences	0	0	0	0	0
Due to Other Funds	14,771	28,843	68,194	100,436	55,131
Deferred Revenues	1,160	0	0	0	0
Unavailable Revenue	53,323	0	0	0	0
Due to Teachers' Retirement System	571,144	588,969	611,979	659,335	644,466
Due to Employees' Retirement System	86,689	95,895	64,479	78,884	87,320
Total Liabilities:	<u>\$870,623</u>	<u>\$932,530</u>	<u>\$852,716</u>	<u>\$914,562</u>	<u>\$1,080,716</u>
Fund Balances:					
Restricted	\$1,989,939	\$2,938,535	\$3,058,156	\$4,129,544	\$5,622,498
Assigned	605,664	725,078	1,697,732	1,612,380	1,342,726
Unassigned	880,903	1,583,596	1,312,710	904,136	916,631
Total Fund Balance	<u>\$3,476,506</u>	<u>\$5,247,209</u>	<u>\$6,068,598</u>	<u>\$6,646,060</u>	<u>\$7,881,855</u>
Total Liabilities and Fund Balance	<u>\$4,347,129</u>	<u>\$6,179,739</u>	<u>\$6,921,314</u>	<u>\$7,560,622</u>	<u>\$8,962,571</u>

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

APPENDIX B

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.

**COOPERSTOWN CENTRAL SCHOOL
DISTRICT**

**Financial Statements and Required
Reports Under Uniform Guidance as of
June 30, 2024
Together with
Independent Auditor's Reports**

Bonadio & Co., LLP
Certified Public Accountants

COOPERSTOWN CENTRAL SCHOOL DISTRICT

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COOPERSTOWN CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

October 8, 2024

To the Board of Education and Superintendent of the
Cooperstown Central School District:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 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 School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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(Continued)

INDEPENDENT AUDITOR'S REPORT

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

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

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 Change in Fund Balance - Budget and Actual - General Fund; Schedule of Changes in Total OPEB 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 School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards is 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 financial statements. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit - 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) For the Fiscal Year Ended June 30, 2024

The following is a discussion and analysis of the Cooperstown Central School District's financial performance for the fiscal year ended June 30, 2024. This section summarizes 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. As this section is only an introduction, it should be read in conjunction with the District's basic financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2024 and 2023 total liabilities and deferred inflows (what the School District owes) exceeded its total assets and deferred outflows (what the School District owns) by \$(26,814,506) and \$(26,033,390), respectively.
- Capital assets, net of accumulated depreciation during 2023-2024 amounted to approximately \$18 million, which is a decrease of approximately \$137,000 from the prior year.
- General revenue, which includes State aid, and property taxes, accounted for \$21,698,970 of all revenue. Program specific revenue in the form of Charges for Services and Operating Grants and Capital Grants accounted for \$1,437,289 of total revenue.
- Total expenses for the government-wide financial statements totaled \$23,917,375 and \$22,350,982 and for 2024 and 2023, respectively.
- As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$5,067,198 and \$5,404,177 in 2024 and 2023, respectively, a decrease of \$336,979 from 2023 to 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are School District-wide financial statements that provide both short term and long-term information about the School District's overall financial status. Because of this, the Statement of Net Position will include assets such as buildings and equipment and long-term balances due to the School District as well as long term liabilities such as bonds payable. In addition, payments for principal on long-term bond obligations will be shown as a reduction of the liability and payments for buildings and equipment will be shown as additions to assets.
- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the School District-wide statements. The fund financial statements concentrate on the School District's most significant funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

- The governmental funds statements tell how basic services such as regular and special education were financed in the short-term, as well as what remains for future spending. As such, in this presentation, payments for buildings and equipment will be shown as expenditures rather than an increase in assets, proceeds from new long-term borrowings will be shown as a source of revenue rather than a long-term liability, and principal payments on the long-term borrowings will be shown as expenditures.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information and other supplementary information.

These schedules further explain and support the financial statements with a comparison of the School District's budget for the year, a detailed capital project schedule, and other financial information.

Table A-1 shows how the various sections of this annual report are arranged and related to one another.

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

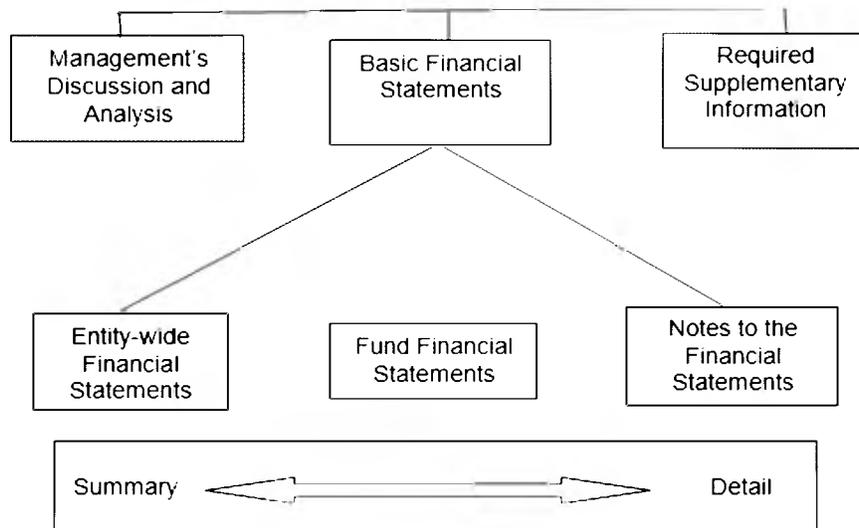


Table A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and content of each of the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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

	District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The daily operating activities of the School District, such as instruction and special education.	Instances in which the School District administers resources on behalf of another entity
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of changes in net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset & deferred outflow/liability & deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital, short-term and long-term	Assets, deferred inflows/ outflows of deferred resources, and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during 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.	All additions and deductions during the year, regardless of when cash is received or paid.

SCHOOL DISTRICT-WIDE STATEMENTS

The School District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets 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.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

The two School District-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and liabilities – are one way to measure the School District's financial health or position.

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 they are 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 the fund balances.

SCHOOL DISTRICT-WIDE STATEMENTS (CONTINUED)

Government-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:
 - Investment in capital assets, net of related debt.
 - Restricted net position is those assets 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 School District's funds, focusing on its most significant or major funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs.

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

The School District has one type of fund:

- **Governmental Funds:** the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School District wide statements, additional information at the bottom of the governmental funds statements explains 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 change in fund balance.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The analyses in Table A-3 and Table A-4 below, focus on the net position and changes in net position of the School District's government - wide activities. The School District's net position increased \$781,116 from a \$26,033,390 deficit as of June 30, 2023 to a net deficit of \$26,814,506. The School District's total assets at June 30, 2024 were \$2,146,487 more than the prior year. The changes in non-current assets, Deferred Outflows of Resources, Long-term liabilities, and Deferred Inflows of Resources are calculated by actuaries and provided to the School District. The School District's proportion in both retirement systems changed from a share in an asset to a share in a liability.

Table A-3 **Condensed Statement of Net Position**

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Current and other assets	\$ 13,628,531	\$ 11,344,674	20.13%
Noncurrent assets	<u>17,866,756</u>	<u>18,004,126</u>	-0.76%
Total assets	<u>31,495,287</u>	<u>29,348,800</u>	7.31%
Deferred outflows	<u>6,260,677</u>	<u>9,688,373</u>	-35.38%
Long-term liabilities	43,024,491	44,495,262	-3.31%
Other liabilities	<u>10,623,231</u>	<u>7,126,695</u>	49.06%
Total liabilities	<u>53,647,722</u>	<u>51,621,957</u>	3.92%
Deferred inflows	<u>10,922,748</u>	<u>13,448,848</u>	-18.78%
Net position:			
Net investment in capital assets	10,679,476	9,324,295	14.53%
Restricted	10,290,100	7,859,456	30.93%
Unrestricted	<u>(47,784,082)</u>	<u>(43,217,141)</u>	10.57%
Total net position	<u>\$ (26,814,506)</u>	<u>\$ (26,033,390)</u>	3.00%

Changes in Net Position

The School District's total fiscal year 2024 revenues totaled \$23,136,259 (See Table A-4). Property taxes (including other tax items) and state aid accounted for the majority of revenue by contributing 58% and 31% respectively (See Chart A-1). The remainder 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 \$23,917,375 for fiscal year 2024. 80% of the School District's expenditures were predominantly for the education, supervision, nutrition and transportation of students. (See Chart A-2). The School District's operating and administrative activities accounted for 20% of total costs.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position (Continued)

Table A-4

Changes in Net Position from Operating Results

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Percent Change</u>
Revenue			
Program revenue:			
Operating grants	\$ 905,576	\$ 1,797,871	-49.63%
Charges for services	531,713	525,139	1.25%
General revenue:			
Property and other tax items	13,456,257	13,069,197	2.96%
State aid	7,202,972	6,751,835	6.68%
Medicaid reimbursement	20,715	41,778	-50.42%
Interest and use of property	620,310	318,666	94.66%
Sale of property and compensation for loss	20,461	5,643	262.59%
Miscellaneous	<u>378,255</u>	<u>500,480</u>	-24.42%
Total revenue	<u>23,136,259</u>	<u>23,010,609</u>	0.55%
Expenses			
General support	4,882,953	4,547,440	7.38%
Instruction	16,206,252	15,248,533	6.28%
Pupil transportation	1,762,439	1,503,055	17.26%
Debt service - Interest	385,636	393,447	-1.99%
School lunch program	<u>680,095</u>	<u>658,507</u>	3.28%
Total expenses	<u>23,917,375</u>	<u>22,350,982</u>	7.01%
Change in Net Position	<u>\$ (781,116)</u>	<u>\$ 659,627</u>	0.00%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Chart A-1

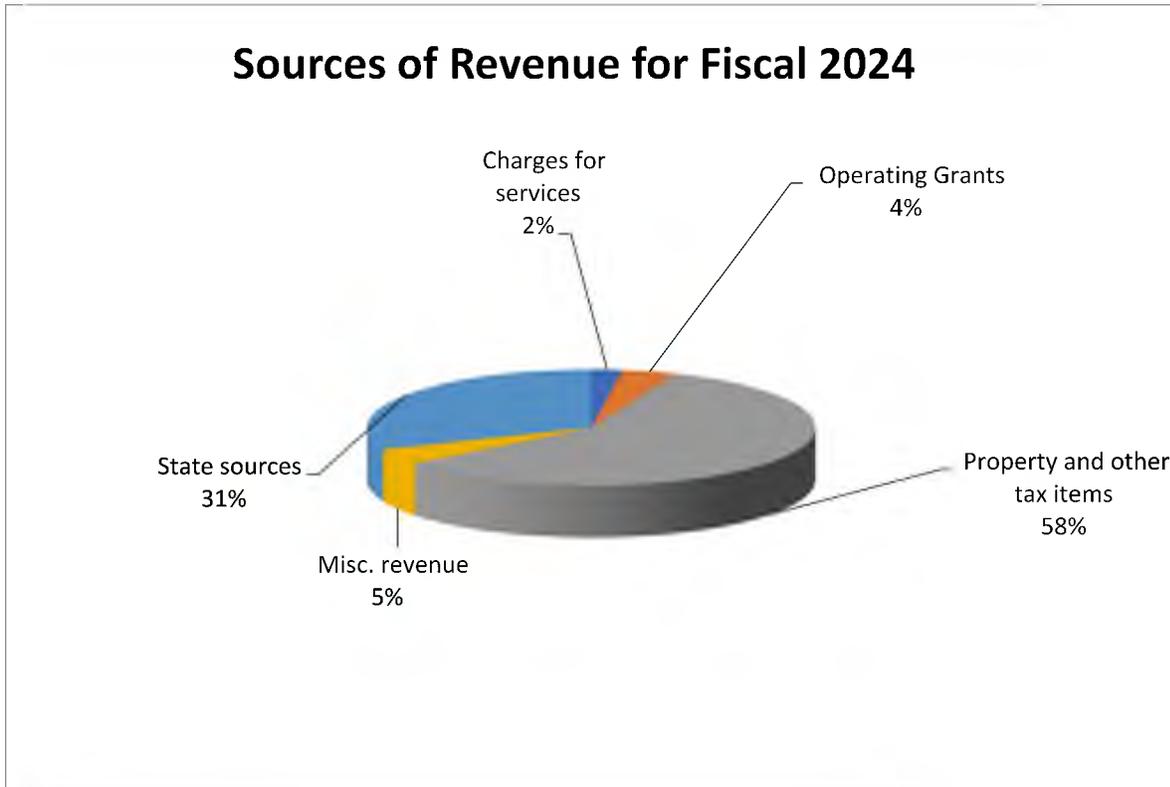
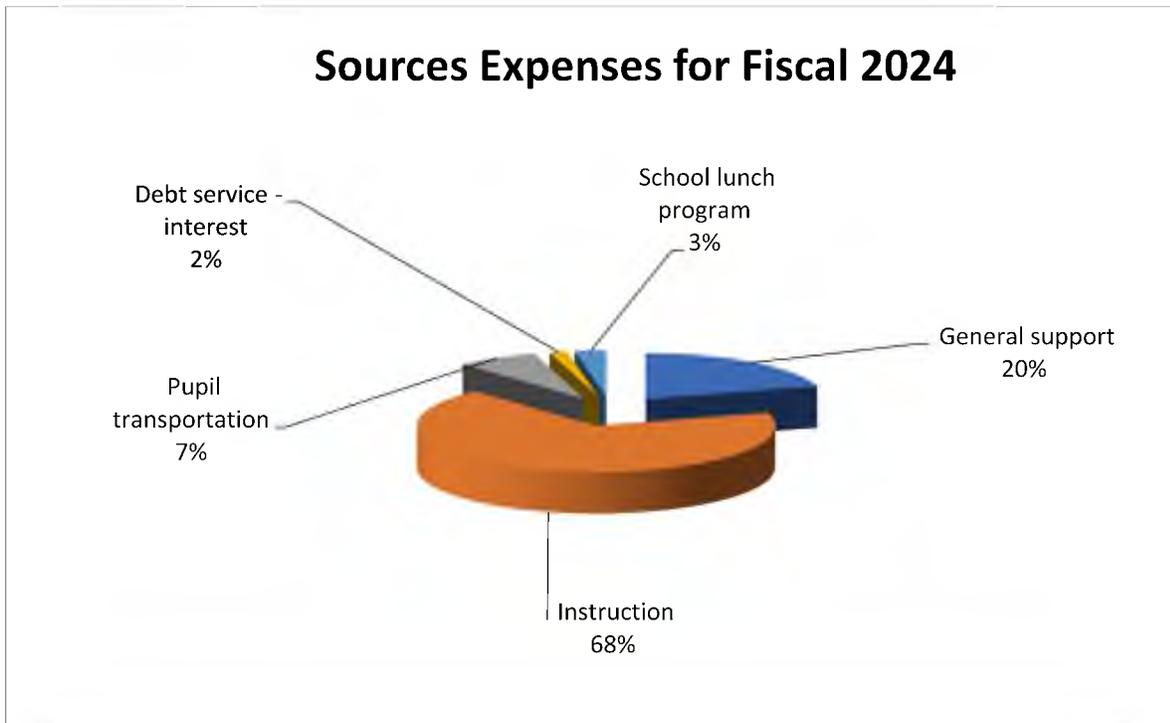


Chart A-2



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The School 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 approximately \$5 million, a decrease of \$336,979 over the prior year. The School District's governmental funds, except for the capital projects fund, operated at a surplus in 2023-2024.

General Fund Budgetary Highlights

The Board of Education recognizes the greatest financial support for educating students in the School District comes from its residents and strives to develop a budget that meets the needs of students while maintaining a sustainable tax environment.

Table A-5 below, compares actual revenues and expenditures to the amount budgeted. Total revenues exceeded the amount budgeted by \$847,102. Below shows the budgeted and actual revenue figures for various categories, along with their variances (difference between budgeted and actual amounts). The School District's revenues exceed expectations with actual revenue totaling \$21.53 million, surpassing the budgeted \$20.7 million by \$847,102. Expenditures were lower than anticipated, with actual expenditures coming at \$20.8 million compared to the budgeted \$22.42 million. This variance of \$1.52 million in expenditures helped the School District achieved a significant surplus, despite its goal of spending 95% to 98% of its budget.

The most notable revenue surpluses came from Use of Money and Property (\$466,007) and Charges for Services (\$134,755). The surplus of Use of Money and Property was largely driven by the unpredictability of factors such as higher-than-expected interest rates and tuition from non-resident students, which are difficult to forecast accurately. Additionally, state aid was \$202,787 above projections, largely due to higher-than-anticipated expense-based aid such as transportation, excess cost, and BOCES aid, which are contingent on actual expenses incurred by the School District. These increases helped offset shortfalls in areas like real property taxes and Medicaid reimbursements.

The School budget expenditures are estimated by evaluating the School District's anticipated needs for the upcoming fiscal year. This process involves input from teachers, department heads, and building leaders, who project costs based on current staffing levels, resources, programs, and services. Salaries and benefits for current staff are used to forecast personnel expenses, while operational costs like transportation, utilities, and supplies are estimated based on historical data and anticipated changes. These estimates are combined to create a comprehensive budget that accounts for the School District's educational and operational goals for the year. However, resignations or leaves of absence are impossible to predict or changes in program needs can lead to variances between the budgeted and actual expenditures.

The majority of the \$220,998 in central services savings came from lower operational costs, while approximately \$70,000 was saved in salaries due to the resignations of a mechanic and the Director of Facilities in the first half of the school year, with both positions remaining unfilled through June. Extended unpaid medical leaves for staff also contributed to the underspending, as these absences further reduce payroll and related expenses.

General Fund Budgetary Highlights (Continued)

Salary savings due to staff turnover was the primary factor behind the underspent teaching expenditures, accounting for approximately \$200,000 in savings. These savings resulted from teachers who left during the year and were either replaced at lower salaries or whose positions remained unfilled. In programs for students with disabilities, salary savings from staff turnover amount to amount \$96,000. However, the major factor for savings in this area was the reduced need for BOCES placements, which contributed an additional \$265,000 in savings as fewer student placements were required than originally anticipated.

Retirement contributions, as well as FICA and Medicare taxes, are directly tied to salaries, meaning that the savings from unspent salaries led to increased savings in benefits. Since these contributions are calculated as a percentage of employee earnings, any reduction in salary expenses automatically reduces the associated benefits costs. Additionally, approximately 55% of the benefits savings were due to lower health insurance premiums for retirees. This was achieved through the School District's successful negotiation with both the faculty and support staff unions to transition all retirees to a Medicare Advantage plan, significantly lowering premium costs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Table A-5 - Results Vs. Budget

	Original Budget	Final Budget	Actual	Encumbrances	Variance
Revenue:					
Real property taxes	\$ 13,365,908	\$ 13,365,908	\$ 13,347,601	\$ -	\$ (18,307)
Other tax items	100,523	100,523	108,656	-	8,133
Charges for services	137,395	137,395	272,150	-	134,755
Use of money and property	60,000	60,000	526,007	-	466,007
Sale of property and compensation for loss	28,500	28,500	20,461	-	(8,039)
Medicaid reimbursement	25,000	25,000	20,715	-	(4,285)
State sources	6,923,394	6,923,394	7,126,181	-	202,787
Miscellaneous	55,000	55,000	121,051	-	66,051
Total revenue	20,695,720	20,695,720	21,542,822	-	847,102
Other financing sources:					
Proceeds from lease	-	-	182,865	-	182,865
Total revenue and other financing sources	20,695,720	20,695,720	21,725,687	-	1,029,967
Expenditures:					
Board of education	16,482	16,992	14,306	-	2,686
Central administration	219,530	217,894	206,626	-	11,268
Finance	320,863	376,863	370,134	-	6,729
Staff	71,894	72,294	77,934	-	(5,640)
Central services	1,783,090	1,822,423	1,527,045	74,380	220,998
Special items	461,869	461,869	460,397	-	1,472
Instruction, administration, and improvement	569,939	607,139	624,663	84	(17,608)
Teaching - regular school	4,785,381	4,845,297	4,563,225	9,157	272,915
Programs for children with handicapping conditions	2,519,041	2,447,405	2,083,023	714	363,668
Occupational education	423,744	423,744	423,744	-	-
Instructional media	868,007	858,896	498,413	110	360,373
Pupil services	1,482,625	1,502,098	1,411,958	2,857	87,283
Pupil transportation	1,118,705	1,119,599	965,342	-	154,257
Employee benefits	5,994,973	5,976,009	5,520,681	93	455,235
Debt Service	1,667,300	1,667,300	2,063,910	-	(396,610)
Total expenses	22,303,443	22,415,822	20,811,401	87,395	1,517,026
Other financing uses:					
Transfers in from other funds	-	-	616,372	-	616,372
Transfer to other funds	(300,000)	(300,000)	(294,863)	-	5,137
Net change in fund balance	(1,907,723)	(2,020,102)	1,235,795	(87,395)	134,450
Fund balance - beginning of year	6,646,060	6,646,060	6,646,060		
Fund balance - end of year	\$ 4,738,337	\$ 4,625,958	\$ 7,881,855		

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2024, the School District had approximately \$18 million invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers, and other educational equipment.

Capital Assets (net of Depreciation)

<u>Category</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
Construction in progress	\$ 1,480,800	\$ 4,396,384
Land improvements	701,851	71,418
Buildings and improvements	14,579,238	12,250,248
Equipment and furniture	594,583	578,224
Lease assets	<u>510,284</u>	<u>707,852</u>
 Total	 <u>\$ 17,866,756</u>	 <u>\$ 18,004,126</u>

Long-Term Debt

As of June 30, 2024, the School District had \$3,909,247 in general obligation bonds net of bond premium. More detailed information about the School District’s long-term debt is included in Note 9 of the financial statements.

Factors Bearing on the District’s Future

Developing a budget is a complex process that hinges on a series of estimates and projections. School districts must assess various factors, including historical spending patterns, enrollment trends, and anticipated revenue sources such as state aid and local taxes. These estimates are not static; they can be influenced by changing demographics, economic conditions, and legislative adjustments. Initially, the district anticipated using fund balance and reserves to close the gap between revenues and expenditures. However, several factors—many of which were outside its control or could not have been anticipated—curtailed spending, resulting in the district ending the fiscal year with a surplus.

This positive financial outcome reflects not only prudent management but also the effects of unexpected circumstances that reduced expenditures. With this surplus, the district took a strategic approach by allocating funds to build its capital reserves. A portion of these reserves is specifically designated to address the mandate to electrify our bus fleet, which necessitates not only the purchase of electric buses but also substantial infrastructure upgrades to support them. By bolstering its capital reserves, the district can mitigate the potential need for large, unforeseen tax increases associated with these essential improvements and infrastructure enhancements. This proactive measure not only enhances the district’s financial stability but also ensures that resources are available for long-term projects that benefit students and the community.

Looking ahead, the decision to build its reserves is particularly vital in light of potential state aid reductions for school districts. Many districts face uncertainties regarding state funding, which can fluctuate based on economic conditions and political decisions. By bolstering its reserves, the district positions itself to navigate these challenges more effectively, ensuring that essential services and programs can continue even in the face of reduced aid. This foresight not only safeguards the district's financial health but also enhances its ability to provide a consistent and quality education for its students in the years to come. Ultimately, a well-managed reserve not only supports educational initiatives but also contributes to a stable tax environment for homeowners, allowing them to benefit from lower tax rates while still funding critical school needs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Ms. Amy Kukenberger, Assistant Superintendent for Business and Operations
Cooperstown Central School District
39 Linden Avenue
Cooperstown, New York 13326

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Statement of Net Position June 30, 2024

ASSETS

CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 2,472,493
Cash and cash equivalents - restricted	10,290,100
Other receivables	57,345
Due from other governments	289,680
State and federal aid receivable	512,894
Inventory	6,019
Total current assets	<u>13,628,531</u>

NON-CURRENT ASSETS:

Capital assets, non-depreciable	1,480,800
Capital assets, depreciable, net	15,875,672
Capital lease assets, amortized, net	478,065
Capital lease SBITA assets, amortized, net	32,219
Total non-current assets	<u>17,866,756</u>

TOTAL ASSETS

31,495,287

DEFERRED OUTFLOWS

Pension related-TRS	2,611,402
Pension related-ERS	981,119
Other postemployment benefits related	2,668,156

TOTAL DEFERRED OUTFLOWS

6,260,677

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	949,168
Accrued expenses	61,403
Due to other governments	1,113
Unearned revenue	23,863
Bond interest accrual	10,045
Due to Teachers' Retirement System	644,466
Due to Employees' Retirement System	87,320
Lease liabilities, current	180,123
Total other postemployment benefits payable, current	1,081,730
Bond anticipation note payable	6,794,000
Bonds and notes payable due within one year	790,000
Total current liabilities	<u>10,623,231</u>

NON-CURRENT LIABILITIES:

Lease liability, net of current portion	203,870
Bonds and notes payable, net of premium	3,119,247
Net pension liability - ERS	1,191,141
Net pension liability - TRS	367,182
Compensated absences	144,899
Total other postemployment benefits payable, net current portion	37,998,152
Total non-current liabilities	<u>43,024,491</u>

TOTAL LIABILITIES

53,647,722

DEFERRED INFLOWS

Other postemployment benefits related	10,079,801
Pension related-ERS	648,574
Pension related-TRS	194,373

TOTAL DEFERRED INFLOWS

10,922,748

NET POSITION

Net investment in capital assets	10,679,476
Restricted	10,290,100
Unrestricted	<u>(47,784,082)</u>

TOTAL NET POSITION

\$ (26,814,506)

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Statement of Activities For the Year Ended June 30, 2024

GOVERNMENTAL ACTIVITIES	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS:				
General support	\$ 4,882,953	\$ -	\$ -	\$ (4,882,953)
Instruction	16,206,252	272,150	-	(15,934,102)
Pupil transportation	1,762,439	-	-	(1,762,439)
Debt service - interest	385,636	-	-	(385,636)
School lunch program	<u>680,095</u>	<u>259,563</u>	<u>905,576</u>	<u>485,044</u>
TOTAL FUNCTIONS AND PROGRAMS	\$ 23,917,375	\$ 531,713	\$ 905,576	(22,480,086)
GENERAL REVENUE:				
Real property taxes				13,347,601
Other tax items				108,656
Use of money and property				620,310
Sale of property and compensation for loss				20,461
State sources				7,202,972
Medicaid reimbursement				20,715
Miscellaneous				<u>378,255</u>
TOTAL GENERAL REVENUE				<u>21,698,970</u>
CHANGE IN NET POSITION				(781,116)
NET POSITION - beginning of year				<u>(26,033,390)</u>
NET POSITION - end of year				<u>\$ (26,814,506)</u>

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Governmental Fund Types				Total Governmental Funds
	(Formerly major)				
	General	Special Aid	Capital Projects	Non-Major Funds	
ASSETS					
Cash and cash equivalents - unrestricted	\$ 2,342,161	\$ -	\$ -	\$ 130,332	\$ 2,472,493
Cash and cash equivalents - restricted	5,622,498	-	3,899,960	767,642	10,290,100
Due from other funds	495,359	-	-	49,564	544,923
Due from other governments	289,680	-	-	-	289,680
Other receivables	47,995	-	-	9,350	57,345
State and federal aid receivable	164,878	-	-	348,016	512,894
Inventory	-	-	-	6,019	6,019
TOTAL ASSETS	\$ 8,962,571	\$ -	\$ 3,899,960	\$ 1,310,923	\$ 14,173,454
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 293,799	\$ -	\$ 689,991	\$ 26,781	\$ 1,010,571
Due to other funds	55,131	-	111,867	377,925	544,923
Due to other governments	-	-	-	1,113	1,113
Due to Teachers' Retirement System	644,466	-	-	-	644,466
Due to Employees' Retirement System	87,320	-	-	-	87,320
Bond anticipation note payable	-	-	6,794,000	-	6,794,000
Unearned revenue	-	-	25	23,838	23,863
TOTAL LIABILITIES	1,080,716	-	7,595,883	429,657	9,106,256
FUND BALANCE					
Nonspendable					
Inventory	-	-	-	6,019	6,019
Restricted:					
Unemployment insurance reserve	22,077	-	-	-	22,077
Retirement contributions reserve	1,505,644	-	-	-	1,505,644
Workers' compensation reserve	251,081	-	-	-	251,081
Tax certiorari reserve	-	-	-	-	-
Capital reserve	3,348,931	-	3,899,960	-	7,248,891
Debt service reserve	-	-	-	-	-
Employee benefit accrued liabilities reserve	494,765	-	-	-	494,765
Other	-	-	-	767,642	767,642
Total restricted fund balance	5,622,498	-	3,899,960	767,642	10,290,100
Assigned					
Appropriated for subsequent years expenditure	1,255,331	-	-	-	1,255,331
Unappropriated	87,395	-	-	107,605	195,000
Total assigned fund balance	1,342,726	-	-	107,605	1,450,331
Unassigned	916,631	-	(7,595,883)	-	(6,679,252)
TOTAL FUND BALANCE	7,881,855	-	(3,695,923)	881,266	5,067,198
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,962,571	\$ -	\$ 3,899,960	\$ 1,310,923	\$ 14,173,454

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balance to Government-Wide Net Position June 30, 2024

A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balance	\$ 5,067,198
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	17,866,756
Deferred outflows/inflows of resources related to pensions are applicable to future periods and are not reported in the funds:	
Deferred outflows - ERS/TRS	3,592,521
Deferred inflows - ERS/TRS	(842,947)
Deferred outflows/inflows of resources related to other postemployment benefits are applicable to future periods and are not reported in the funds:	
Deferred outflows - OPEB	2,668,156
Deferred inflows - OPEB	(10,079,801)
The net pension assets are long-term in nature and are not reported in the funds:	
Net pension liability - ERS	(1,191,141)
Net pension liability - TRS	(367,182)
Interest payable at year end in the government-wide statements under full accrual accounting	(10,045)
Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds Balance Sheet. Long-term liabilities recorded in the Statement of Position are as follows:	
Lease liabilities	(383,993)
Bonds payable	(3,909,247)
Total other postemployment benefits liability	(39,079,882)
Compensated absences	(144,899)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (26,814,506)</u>

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

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

	Governmental Fund Types				Total Governmental Funds
	General	(Formerly major) Special Aid	Capital Projects	Non-Major Funds	
REVENUE:					
Real property taxes	\$ 13,347,601	\$ -	\$ -	\$ -	\$ 13,347,601
Other tax items	108,656	-	-	-	108,656
Charges for services	272,150	-	-	-	272,150
Use of money and property	526,007	-	-	94,303	620,310
Sale of property and compensation for loss	20,461	-	-	-	20,461
Miscellaneous	121,051	-	-	153,730	274,781
Contributions	-	-	-	64,098	64,098
State sources	7,126,181	-	-	83,892	7,210,073
Federal sources	-	-	-	898,475	898,475
Medicaid reimbursement	20,715	-	-	-	20,715
Sales - school lunch	-	-	-	259,563	259,563
Total revenue	21,542,822	-	-	1,554,061	23,096,883
EXPENDITURES:					
General support	2,656,442	-	-	-	2,656,442
Instruction	9,462,464	-	-	799,141	10,261,605
Pupil transportation	965,342	-	-	-	965,342
Employee benefits	5,520,681	-	-	121,063	5,641,744
Debt service - principal	1,665,102	-	-	-	1,665,102
Debt service - interest	398,808	-	-	16,934	415,742
Cost of sales	-	-	-	512,108	512,108
Other expenditures	-	-	-	202,280	202,280
Capital outlay	142,562	-	1,578,176	-	1,720,738
Total expenditures	20,811,401	-	1,578,176	1,651,526	24,041,103
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	731,421	-	(1,578,176)	(97,465)	(944,220)
OTHER SOURCES AND (USES):					
Premium on debt issued	-	-	-	39,376	39,376
Proceeds from the issuance of leases	142,562	-	-	-	142,562
Proceeds from the issuance of SBITA	40,303	-	-	-	40,303
BANs redeemed from appropriations	-	-	385,000	-	385,000
Operating transfers in	616,372	-	96,145	198,718	911,235
Operating transfers out	(294,863)	-	-	(616,372)	(911,235)
Total other sources (uses)	504,374	-	481,145	(378,278)	607,241
Change in fund balance	1,235,795	-	(1,097,031)	(475,743)	(336,979)
FUND BALANCE - beginning of year, previously reported	6,646,060	-	(2,598,892)	1,357,009	5,404,177
Adjustment - changes from major fund to nonmajor fund	-	-	-	-	-
FUND BALANCE - beginning of year, as adjusted	6,646,060	-	(2,598,892)	1,357,009	5,404,177
FUND BALANCE - end of year	\$ 7,881,855	\$ -	\$ (3,695,923)	\$ 881,266	\$ 5,067,198

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenue, Expenditures, and Change in Fund Balance to the Statement of Activities

For the Year Ended June 30, 2024

Net change in fund balance - Total governmental funds	\$ (336,979)
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	
Capital asset (including lease asset) additions	955,018
Depreciation and amortization expense	(1,092,388)
Repayments of long-term serial bonds and lease liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,280,102
Amortization of premium on serial bonds not reported in the funds.	40,151
Compensated absences do not require the expenditure of current resources and are not reported as expenditures in the governmental funds.	(62,674)
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 are not reported in the funds.	
Net pension liability/asset	522,659
Deferred outflows of resources	(199,072)
Deferred inflows of resources	(530,452)
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 are not reported in the funds.	
Net pension liability/asset	259,947
Deferred outflows of resources	(853,764)
Deferred inflows of resources	108,809
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 are not reported in the funds.	
Other postemployment benefits liability	(1,252,446)
Deferred outflows of resources	(2,374,860)
Deferred inflows of resources	2,947,743
Accrued interest expense does not require the expenditure of current resources and is, therefore, not reported as an expenditure in the governmental funds	(10,045)
Issuance of long-term debt and related premiums and lease liabilities are recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.	<u>(182,865)</u>
Change in net position - Governmental activities	<u>\$ (781,116)</u>

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2024

	<u>Custodial Funds</u>
ASSETS:	
Cash	\$ <u> -</u>
Total assets	\$ <u> -</u>
LIABILITIES:	
Other liabilities	<u> -</u>
Total liabilities	<u> -</u>
NET POSITION:	
Restricted for others	\$ <u> -</u>

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Custodial Funds
ADDITIONS:	
Tax collections for other governments	\$ 232,209
PILOT collections for other governments	<u>1,279</u>
Total additions	<u>233,488</u>
DEDUCTIONS:	
Payments of tax to other governments	232,209
Payments of PILOT to other governments	<u>1,279</u>
Total deductions	<u>233,488</u>
CHANGE IN NET POSITION	-
NET POSITION - beginning of year	<u>-</u>
NET POSITION - end of year	<u>\$ -</u>

The accompanying notes are an integral part these statements.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2024

1. NATURE OF OPERATIONS

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (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 School District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

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

The ECA Funds are independent of the School District with respect to financial transactions and the designation of student management, however, the Board of Education exercises general oversight of these funds. The School District accounts for the ECA Funds in the Extraclassroom Activities Fund, a special revenue fund. Separate audited financial statements (cash basis) of the ECA Funds can be found at the School District's business office.

Joint Venture

The School District is a component school district in the Otsego Northern Catskills 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 is 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.

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

During the year, the School District was billed \$2,396,007 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$1,931,421.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Joint Venture (Continued)

The financial statements of the School 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 School District are described below:

Basis of Presentation

The School 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.

School District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental 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 School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District reports the following non-major governmental funds:

Special Revenue Funds - These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes 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.

- **School Lunch Fund:** This fund accounts 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 organization of the School District.
- **Scholarships:** This fund accounts for amounts contributed to fund scholarships and the distribution of scholarships.

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.

Special Aid Fund - This fund accounts for the proceeds of specific federal and state grants revenue sources that are legally restricted to expenditures for specific purposes (e.g. special education) and other activities whose funds are restricted as to use.

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

There is one type of fiduciary fund:

- **Custodial Fund:** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various groups.

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 School District-wide and fiduciary fund 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 School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

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

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

Cash and Cash Equivalents

Cash and investments consists of funds deposited in demand deposit accounts, and amounts with the New York State Liquid Assets Fund (NYSLAF). The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include NYLAF, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, the School District's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name.

The School District participates in the New York State Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2024, the School District held \$4,373,369 in investments consisting of various investments in securities issued by the United States and its agencies. NYLAF is rated 'AAAm' from Standard & Poor's. The investments are highly liquid and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. There are no limitations or restrictions on withdrawals in the NYLAF. Additional information concerning NYLAF, including the annual report, can be found on its website as <https://www.nylaf.org/>. The School District considers these investments to be cash equivalents.

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.

Accounts Receivable

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 November 3. Taxes not collected by November 3 are turned over to the County who assumes all responsibility for collection.

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

Inventory

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.

Interfund Transactions

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

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the School 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 School 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.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. 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 and improvement	\$ 20,000	SL	30-50 years
Furniture and equipment	\$ 1,000	SL	5 years
Buses	\$ 10,000	SL	8 years

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets also includes lease assets and subscription-based information technology arrangements (SBITAs) assets with a term greater than one year. The School District does not implement a capitalization threshold for lease assets or SBITA assets. Lease and SBITA assets are amortized on a straight-line basis over the term of the lease/subscription term or the useful life of the underlying asset.

Vested Employee Benefits - Compensated Absences

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.

School 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 School 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

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

Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially, all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing healthcare insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund in the year paid. The financial disclosures relating to the School District's other postemployment benefits are reflected in Note 11.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the 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.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

The School District reports unearned revenues on its Statement of Net Position. On the Statement of Net Position, unearned revenue arises when resources are received by the School 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 School District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

Short Term Debt

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

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

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the School 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 School District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the School 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.

School District - Wide Statements - Equity Classifications

In the School 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 School District.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity classifications

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

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

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 School District has available the following restricted fund balances:

Reserve for Debt Service

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.

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.

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 judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

Retirement Contribution

Retirement contribution reserve (General Municipal Law §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 School 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 School 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.

Capital Reserve

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

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.

Restricted fund balance includes the following:

General Fund:

Unemployment insurance reserve	\$ 22,077
Retirement contributions reserve	1,505,644
Workers' compensation reserve	251,081
Capital reserve	3,348,931
Employee benefit accrued liability reserve	<u>494,765</u>
Total General Fund	<u>\$ 5,622,498</u>
Capital Project Fund	<u>\$ 3,899,960</u>
Scholarships Fund	<u>\$ 689,356</u>
Extraclassroom Activities Fund	<u>\$ 78,286</u>

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity classifications (Continued)

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

Assigned fund balance - Includes amounts that are constrained by the School 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 School District's purchasing agent through their authorization of a purchase order prior to year-end. The School District assignment is based on the functional level of expenditures.

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 School District.

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

Order of Fund Balance Spending Policy

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

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 School 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.

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

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

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

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

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of five broad categories.

- **Long Term Revenue and Expense Differences**
Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.
- **Capital Related Differences**
Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.
- **Long Term Debt Transaction Differences**
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.
- **Pension Differences**
Pension differences occur as a result of changes in the School District's proportion of the collective net pension asset/liability and differences between the School 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 School District's total OPEB liability and differences between the School 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 School District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the School District approved the proposed appropriation budget.

Appropriations are adopted at the program line-item level.

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

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.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the School 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.

Fund Balance Details

The Capital Projects Fund had a deficit fund balance of \$3,695,923 at June 30, 2024. This will be funded with future debt issuances or BAN redemptions.

Fund Balance

The School District's unrestricted fund balance in its General Fund was not 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 School 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 CASH EQUIVALENTS

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 8,575,317	8,389,224
Cash equivalents	<u>4,373,369</u>	<u>4,373,369</u>
	12,948,686	12,762,593
Collateralized with securities held by the pledging financial institution's trust department or agent in the school district's name	\$ 12,198,686	
Covered by FDIC insurance	<u>750,000</u>	
Total	<u>\$ 12,948,686</u>	

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 \$10,290,100 within the governmental funds.

Restricted Cash consists of the following at June 30, 2024:

General fund:	
Unemployment Insurance	\$ 22,077
Retirement contribution	1,505,644
Workers' compensation	251,081
Tax certiorari	-
Capital	3,348,931
Employee benefit accrued liability	<u>494,765</u>
Total general fund restricted cash	<u>\$ 5,622,498</u>
Total capital project fund restricted cash	<u>\$ 3,899,960</u>
Total scholarship restricted cash	<u>\$ 689,356</u>
Total extraclassroom restricted cash	<u>\$ 78,286</u>

6. CAPITAL ASSETS

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

	July 1, 2023			June 30, 2024
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Construction in progress	\$ 4,396,384	\$ 1,578,176	\$ (4,493,760)	\$ 1,480,800
Total nondepreciable cost	<u>4,396,384</u>	<u>1,578,176</u>	<u>(4,493,760)</u>	<u>1,480,800</u>
Capital assets that are depreciated:				
Land improvements	71,418	794,357	-	865,775
Buildings and improvements	21,244,011	2,770,782	-	24,014,793
Furniture and equipment	2,143,556	122,724	(76,313)	2,189,967
Total depreciable historical cost	<u>23,458,985</u>	<u>3,687,863</u>	<u>(76,313)</u>	<u>27,070,535</u>
Less accumulated depreciation:				
Land improvements	-	(163,924)	-	(163,924)
Buildings and improvements	(8,993,763)	(441,792)	-	(9,435,555)
Furniture and equipment	(1,565,332)	(106,239)	76,187	(1,595,384)
Total accumulated depreciation	<u>(10,559,095)</u>	<u>(711,955)</u>	<u>76,187</u>	<u>(11,194,863)</u>
Total depreciable cost - net	<u>12,899,890</u>	<u>2,975,908</u>	<u>(126)</u>	<u>15,875,672</u>
Lease assets, being amortized:				
Intangible Right-to-Use - Vehicles	909,614	-	(68,191)	841,423
Intangible Right-to-Use - Equipment	439,774	142,562	(324,260)	258,076
Total Lease Assets, being amortized	<u>1,349,388</u>	<u>142,562</u>	<u>(392,451)</u>	<u>1,099,499</u>
Less Accumulated Amortization for:				
Intangible Right-to-Use - Vehicles	(395,745)	(200,868)	68,191	(528,422)
Intangible Right-to-Use - Equipment	(253,710)	(163,562)	324,260	(93,012)
Total Accumulated Amortization	<u>(649,455)</u>	<u>(364,430)</u>	<u>392,451</u>	<u>(621,434)</u>
Total Lease Assets, being amortized, net	<u>699,933</u>	<u>(221,868)</u>	<u>-</u>	<u>478,065</u>

6. CAPITAL ASSETS (Continued)

SBITA assets, being amortized:				
Intangible Right-to-Use - Software Agreements	<u>8,133</u>	<u>40,303</u>	<u>-</u>	<u>48,436</u>
Total SBITA Assets, being amortized	<u>8,133</u>	<u>40,303</u>	<u>-</u>	<u>48,436</u>
Less Accumulated Amortization for:				
Intangible Right-to-Use - Software Agreements	<u>(214)</u>	<u>(16,003)</u>	<u>-</u>	<u>(16,217)</u>
Total Accumulated Amortization	<u>(214)</u>	<u>(16,003)</u>	<u>-</u>	<u>(16,217)</u>
Total SBITA Assets, being amortized, net	<u>7,919</u>	<u>24,300</u>	<u>-</u>	<u>32,219</u>
Governmental Activities, Capital Assets, net	<u>\$ 18,004,126</u>	<u>\$ 4,356,516</u>	<u>\$ (4,493,886)</u>	<u>\$ 17,866,756</u>

Depreciation and amortization was charged to governmental activities as follows:

	Depreciation	Amortization
General support	\$ 441,412	\$ -
Instruction	92,554	179,565
Pupil transportation	<u>177,989</u>	<u>200,868</u>
	<u>\$ 711,955</u>	<u>\$ 380,433</u>

7. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditure</u>
General	\$ 495,359	\$ 55,131	\$ 616,372	\$ 294,863
Special Aid	47,331	374,577	46,485	-
School Lunch	2,233	3,348	152,233	-
Debt Service	-	-	-	616,372
Capital Projects	-	111,867	96,145	-
Total	<u>\$ 544,923</u>	<u>\$ 544,923</u>	<u>\$ 911,235</u>	<u>\$ 911,235</u>

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

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

8. SHORT-TERM DEBT

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

Outstanding balances of short-term debt were comprised of the following at June 30, 2024:

Description	Issue Date	Maturity Date	Interest Rate	Balance Due
Bond Anticipation Note 2024	6/26/2024	6/26/2025	4.50%	\$ 6,794,000
Total				\$ 6,794,000

Interest on short-term debt for the year ending June 30, 2024 was composed of:

	Beginning Balance	Issued	Redeemed from Appropriation	Paid by District Available Funds	Ending Balance
Bond Anticipation Note 2023	\$ 5,016,000	\$ -	\$ 4,631,000	\$ 385,000	\$ -
Bond Anticipation Note 2024	-	6,794,000	-	-	6,794,000
Total	\$ 5,016,000	\$ 6,794,000	\$ 4,631,000	\$ 385,000	\$ 6,794,000

9. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Additions	Deletions {a}	Ending Balance	Due Within One Year
Bonds:					
Serial bonds	\$ 4,620,000	\$ -	\$ (885,000)	\$ 3,735,000	\$ 790,000
Bond premium	214,398	-	(40,151)	174,247	-
Total Bonds, Net of Premium	\$ 4,834,398	\$ -	\$ (925,151)	\$ 3,909,247	\$ 790,000
Other liabilities:					
Compensated absences	\$ 82,225	\$ 62,674	\$ -	\$ 144,899	\$ -

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

9. LONG-TERM OBLIGATIONS (Continued)

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

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

Interest paid	\$ 415,742
Plus: Interest accrued in the prior year	10,045
Less: current year amortization of bond premium	<u>(40,151)</u>
Total expense	<u>\$ 385,636</u>

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

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>June 30, 2024 Balance</u>
2019A Bond	2019	2033	5.00%	\$ 3,265,000
2021 Bond Refunding	2021	2025	1.00%	<u>470,000</u>
Total bond issue				<u>\$ 3,735,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 790,000	\$ 159,550	\$ 949,550
2026	335,000	131,350	466,350
2027	355,000	114,600	469,600
2028	370,000	96,850	466,850
2029	390,000	78,350	468,350
2030-2033	<u>1,495,000</u>	<u>137,150</u>	<u>1,632,150</u>
Totals	<u>\$ 3,735,000</u>	<u>\$ 717,850</u>	<u>\$ 4,452,850</u>

10. PENSION PLANS

New York State Employees' Retirement System

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

Contributions

The system is noncontributory except for employees who joined the System after July 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% of the contributions required, and were as follows:

	ERS
2024	313,187
2023	256,077
2022	327,565

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

At June 30, 2024 the School District reported a net pension liability of \$1,191,141 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 an actuarial valuation as of April 1, 2023. The School District's proportion of the net pension liability was based on a projection of the School 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 School District's proportionate share was .0080898%, which was an increase of .0000978% from its proportionate share measured at June 30, 2024.

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 School District recognized pension expense of \$528,145. At June 30, 2024, the School 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	\$ 383,666	\$ 32,479
Changes of Assumptions	450,344	-
Net difference between projected and actual earnings on pension plan investments	-	581,866
Changes in proportion and differences between the District's contributions and proportionate share of contributions	59,923	34,229
Contributions subsequent to the measurement date	87,186	-
	<u>\$ 981,119</u>	<u>\$ 648,574</u>

The School District recognized \$87,186 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2023 which will be recognized on a reduction of the net pension liability in the year ended June 30, 2024.

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	\$ (216,020)
2026	232,986
2027	355,596
2028	<u>(127,203)</u>
	<u>\$ 245,359</u>

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	Entry age normal
Inflation	2.90%
Salary scale	4.4% indexed by service
Projected COLAs	1.5% 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	5.9% compounded annually, net of investment expenses, including inflation

10. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected 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:

Long Term Expected Rate of Return		
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate or return</u>
Domestic Equity	32.0%	4.00%
International Equity	15.0%	6.65%
Private Equity	10.0%	7.25%
Real Estate	9.0%	4.60%
Opportunistic/ARS Portfolio	3.0%	5.25%
Credit	4.0%	5.40%
Real Asset	3.0%	5.79%
Fixed Income	23.0%	1.50%
Cash	1.0%	0.25%
	<u>100.0%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially 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 liability calculated using the discount rate of 5.9%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	1 % Decrease (4.90%)	Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability (asset)	<u>\$ 3,745,070</u>	<u>\$ 1,191,141</u>	<u>\$ (941,919)</u>

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 March 31, 2024, were as follows:

	Pension Plan's Fiduciary Net Position	District's proportionate share of Plan's Fiduciary Net Position	District's allocation percentage as determined by the Plan
Total pension liability	\$240,696,851,000	\$ 19,471,889	0.0080898%
Net position	(225,972,801,000)	(18,280,748)	0.0080898%
Net pension liability (asset)	\$ 14,724,050,000	\$ 1,191,141	0.0080898%
Fiduciary net position as a percentage of total pension liability	93.88%	93.88%	

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). 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.

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.

10. PENSION PLANS (Continued)

Contributions (Continued)

The School District is required to contribute at an actuarially determined rate. The School 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	610,204
2023	567,388
2022	549,173

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

At June 30, 2024, the School District reported net liability of \$367,182 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the School District's proportionate share was 0.032108%, which was a decrease of 0.000574% from its proportionate share measured at June 30, 2022.

For the year ended June 30, 2024 the School District recognized pension expense of \$1,072,370. At June 30, 2024 the School 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	\$ 890,319	\$ 2,200
Changes of Assumptions	790,532	172,292
Net difference between projected and actual earnings on pension plan investments	187,696	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	155,305	19,881
Contributions subsequent to the measurement date	587,550	-
	<u>\$ 2,611,402</u>	<u>\$ 194,373</u>

The School District recognized \$587,550 as a deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

10. PENSION PLANS (Continued)

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

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

Plan's Year Ended June 30:

2024	\$	173,336
2025		(150,265)
2026		1,512,404
2027		136,228
2028		99,613
Thereafter		58,163
	\$	<u>1,829,479</u>

Actuarial Assumptions

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

Actuarial cost method	Entry age normal
Inflation	2.40%
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, 2023.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

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

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

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 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)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 are summarized below:

Long Term Expected Rate of Return		
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate or return</u>
Domestic Equity	33.0%	6.8%
International Equity	15.0%	7.6%
Global Equity	4.0%	7.2%
Real Estate Equity	11.0%	6.3%
Private Equities	9.0%	10.1%
Domestic Fixed Income	16.0%	2.2%
Global Bonds	2.0%	1.6%
Private Debt	2.0%	6.0%
Real Estate Debt	6.0%	3.2%
High-Yield Bonds	1.0%	4.4%
Cash Equivalents	1.0%	0.3%
	<u>100.0%</u>	

Discount Rate

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

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

The following presents the net pension liability (asset) of the 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:

	<u>1 % Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
Proportionate Share of Net Pension Liability (Asset)	<u>\$ 5,592,372</u>	<u>\$ 367,182</u>	<u>\$ (4,027,428)</u>

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

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

	Pension Plan's Fiduciary Net Position	District's proportionate share of Plan's Fiduciary Net Position	District's allocation percentage as determined by the Plan
Total pension liability	\$138,365,121,961	\$ 44,426,273	0.032108%
Net position	(137,221,536,942)	(44,059,091)	0.032108%
Net pension liability (asset)	\$ 1,143,585,019	\$ 367,182	0.032108%
Fiduciary net position as a percentage of total pension liability	99.17%	99.17%	

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 10 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 School 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 School 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 School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries	
currently receiving benefits	145
Active employees	149
Total participants	<u>294</u>

Total OPEB Liability

The School District's total OPEB liability of \$39,079,882 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

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

Inflation	2.70%
Discount Rate	4.21%
Payroll Increases	Vary by pension retirement system membership
Healthcare Cost Trend Rates:	
Medical	6.75% from 2022 to 2023, decreasing gradually to an ultimate rate of 4.14% by 2076
Part B Reimbursement	-3.06% decreased from 2022 to 2023, followed by projected Part B premium increase shown in the 2022 Medicare Trustees report, decreasing gradually to an ultimate rate of 4.14% by 2076

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 calculated using PUB-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2021.

Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 37,827,436
Changes for the Year	
Service cost	1,323,784
Interest	1,595,711
Changes of benefit terms	-
Changes in assumptions or other inputs	(466,140)
Differences between expected and actual experience	(162,083)
Benefit payments	<u>(1,038,826)</u>
Net changes	<u>1,252,446</u>
Balance at June 30, 2024	<u>\$ 39,079,882</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2023 to 4.21% in 2024.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current discount rate:

	1% Decrease <u>(3.21%)</u>	Current Discount <u>(4.21%)</u>	1% Increase <u>(5.21%)</u>
Total OPEB Liability	<u>\$ 33,887,160</u>	<u>\$ 39,079,882</u>	<u>\$ 45,552,214</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease <u>(5.75%)</u>	Current Discount <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Total OPEB Liability	<u>\$ 32,843,134</u>	<u>\$ 39,079,882</u>	<u>\$ 47,097,249</u>

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$1,718,389. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of assumptions	\$ 54,757	\$ 2,368,098
Differences between expected and actual experience	<u>2,613,399</u>	<u>7,711,703</u>
Total	<u>\$ 2,668,156</u>	<u>\$ 10,079,801</u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2025	\$ (1,076,448)
2026	(3,146,519)
2027	(2,414,144)
2028	(669,831)
2029	<u>(104,703)</u>
	<u>\$ (7,411,645)</u>

12. LEASES

The School District as a Lessee

The School District leases various copiers and equipment, from various vendors. The School District also leases buses from Santander Bank. The leases do not contain renewal options. The leases have various inception dates and terms of 13-64 months at rates ranging from 2.21% - 4.90%.

<u>Description</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Lease Liability</u>
Instructional Technology Equipment	4.90%	\$ 44,163
8 Cannon Copiers 2024-2027	3.92%	44,556
2022-23 Bus Lease - Santander	4.30%	125,741
2020-21 Bus Lease - Santander	2.55%	55,177
2021-22 Bus Lease - Santander	2.15%	109,084
Quadient Postage Machine	2.21%	<u>5,272</u>
Total leases		<u>\$ 383,993</u>

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

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount due within One Year</u>
\$ 588,097	\$ 142,562	\$ 346,666	\$ 383,993	\$ 180,123

12. LEASES (Continued)

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

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 180,123	\$ 13,247	\$ 193,370
2026	171,240	7,695	178,935
2027	<u>32,630</u>	<u>1,410</u>	<u>34,040</u>
	<u>\$ 383,993</u>	<u>\$ 22,352</u>	<u>\$ 406,345</u>

13. SUBSCRIPTION-BASED TECHNOLOGY INFORMATION ARRANGEMENTS (SBITAS)

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscriptions-Based Information Technology Arrangements* (SBITA), establishes requirements for recognition of an intangible right-of-use subscription asset and a corresponding subscription liability if certain criteria are met. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, as changes were incorporated in the School District's financial statement and had no effect on the beginning net position of the governmental activities.

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

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount due within One Year</u>
\$ 8,133	\$ 40,303	\$ 48,436	\$ -	\$ -

14. RISK MANAGEMENT

General

The School 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.

Workers' Compensation

Otsego Northern Catskill BOCES administers the Catskill Area Workers' Compensation Plan (the Plan) consisting of several school districts, including Cooperstown Central School District, for workers' compensation insurance coverage. Entities joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan effective July 1st but must submit a notice of withdrawal no later than April 1st of the previous year (15 months in advance). Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

15. CONTINGENCIES AND COMMITMENTS

Litigation

During the ordinary course of business, the School District is subject to lawsuits regarding tax certioraris, liability claims, Child Victims Act and other matters. The School District believes any liability in excess of insurance coverage is immaterial.

Grants

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

**REQUIRED SUPPLEMENTAL
FINANCIAL INFORMATION
(UNAUDITED)**

COOPERSTOWN CENTRAL 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	Variance with Budgetary Actual and Encumbrances
REVENUE					
Local sources:					
Real property taxes	\$ 13,365,908	\$ 13,365,908	\$ 13,347,601	\$ -	\$ (18,307)
Other tax items	100,523	100,523	108,656	-	8,133
Charges for services	137,395	137,395	272,150	-	134,755
Use of money and property	60,000	60,000	526,007	-	466,007
Sale of property and compensation for loss	28,500	28,500	20,461	-	(8,039)
Miscellaneous	55,000	55,000	121,051	-	66,051
Total local sources	13,747,326	13,747,326	14,395,926	-	648,600
State sources	6,923,394	6,923,394	7,126,181	-	202,787
Medicaid reimbursement	25,000	25,000	20,715	-	(4,285)
Total revenue	\$ 20,695,720	\$ 20,695,720	\$ 21,542,822	\$ -	\$ 847,102
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 16,482	\$ 16,992	\$ 14,306	\$ -	\$ 2,686
Central administration	219,530	217,894	206,626	-	11,268
Finance	320,863	376,863	370,134	-	6,729
Staff	71,894	72,294	77,934	-	(5,640)
Central services	1,783,090	1,822,423	1,527,045	74,380	220,998
Special items	461,869	461,869	460,397	-	1,472
Total general support	2,873,728	2,968,335	2,656,442	74,380	237,513
INSTRUCTION:					
Instruction, administration, and improvement	569,939	607,139	624,663	84	(17,608)
Teaching - regular school	4,785,381	4,845,297	4,563,225	9,157	272,915
Programs for children with handicapping conditions	2,519,041	2,447,405	2,083,023	714	363,668
Occupational education	423,744	423,744	423,744	-	-
Instructional media	868,007	858,896	498,413	110	360,373
Pupil services	1,482,625	1,502,098	1,411,958	2,857	87,283
Total instruction	10,648,737	10,684,579	9,605,026	12,922	1,066,631
Pupil transportation	1,118,705	1,119,599	965,342	-	154,257
Employee benefits	5,994,973	5,976,009	5,520,681	93	455,235
Debt service - principal and BAN payment	1,204,000	1,286,754	1,665,102	-	(378,348)
Debt service - interest	463,300	380,546	398,808	-	(18,262)
Total expenditures	22,303,443	22,415,822	20,811,401	87,395	1,517,026
OTHER FINANCING SOURCES (USES)					
Proceeds from the issuance of leases	-	-	182,865	-	182,865
Transfers (in) other funds	-	-	616,372	-	616,372
Transfers (to) other funds	(300,000)	(300,000)	(294,863)	-	5,137
Total other financing sources (uses)	(300,000)	(300,000)	504,374	-	804,374
Total expenditures and other financing sources (uses)	22,603,443	22,715,822	20,307,027	87,395	2,321,400
NET CHANGE IN FUND BALANCE	(1,907,723)	(2,020,102)	1,235,795	(87,395)	3,168,502
FUND BALANCE - beginning of year	6,646,060	6,646,060	6,646,060	-	-
FUND BALANCE - end of year	\$ 4,738,337	\$ 4,625,958	\$ 7,881,855	\$ (87,395)	\$ 3,168,502

COOPERSTOWN CENTRAL 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	1,323,784	\$ 1,460,724	\$ 2,129,883	\$ 2,107,791	\$ 1,368,770	\$ 839,178	\$ 874,666			
Interest	1,595,711	1,431,092	1,070,215	1,144,164	1,370,418	1,341,437	1,228,377			
Differences between expected and actual experience	(162,083)	(273,490)	24,259	(6,105,523)	(93,158)	298,401	-			
Changes in assumptions	(466,140)	(3,117,287)	(10,490,124)	1,711,289	10,324,581	2,255,463	(1,735,977)			
Benefit payments	(1,038,826)	(1,267,373)	(1,109,191)	(1,100,639)	(859,453)	(905,930)	(814,670)			
Total change in total OPEB liability	1,252,446	(1,766,334)	(8,374,958)	(2,242,918)	12,111,158	3,828,549	(447,604)			
Total OPEB liability - beginning	37,827,436	39,593,770	47,968,728	50,211,646	38,100,488	34,271,939	34,719,543			
Total OPEB liability - ending	<u>\$ 39,079,882</u>	<u>\$ 37,827,436</u>	<u>\$ 39,593,770</u>	<u>\$ 47,968,728</u>	<u>\$ 50,211,646</u>	<u>\$ 38,100,488</u>	<u>\$ 34,271,939</u>			
Covered-employee payroll	\$ 7,699,900	\$ 7,342,843	\$ 7,987,764	\$ 7,282,462	\$ 8,932,469	\$ 7,365,047	\$ 7,724,361			
Total OPEB liability as a percentage of covered-employee payroll	507.5%	515.2%	495.7%	658.7%	562.1%	517.3%	443.7%			

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.

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:

Discount rate	4.13%	4.16%	3.54%	2.16%	2.21%	3.51%	3.87%
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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.

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

COOPERSTOWN CENTRAL 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)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability	0.0080898%	0.0079920%	0.0068390%	0.0072780%	0.0077497%	0.0074018%	0.0072929%	0.0079360%	0.0071925%	0.0070382%
Proportionate share of the net pension liability (asset)	\$ 1,191	\$ 1,714	\$ (60)	\$ 7	\$ 2,052	\$ 524	\$ 235	\$ 746	\$ 1,154	\$ 237
Covered-employee payroll	2,565	2,652	2,277	2,551	2,405	2,356	2,311	2,355	2,169	2,116
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	46.44%	64.64%	-2.64%	0.27%	85.32%	22.24%	10.17%	31.68%	53.22%	11.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	90.78%	103.65%	99.99%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability	0.032108%	0.032682%	0.035586%	0.035586%	0.036665%	0.037238%	0.035458%	0.036126%	0.036141%	0.036188%
Proportionate share of the net pension liability (asset)	\$ 367	\$ 627	\$ (5,883)	\$ 983	\$ (952)	\$ (404)	\$ (270)	\$ 387	\$ (3,754)	\$ (4,031)
Covered-employee payroll	6,020	5,930	5,954	5,763	5,378	6,467	5,619	5,619	5,575	5,429
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.10%	10.57%	-98.81%	17.06%	-17.70%	-6.25%	-4.81%	6.89%	-67.34%	-74.25%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.57%	98.57%	113.25%	113.25%	102.17%	101.53%	100.66%	99.01%	-110.45%	-111.48%

COOPERSTOWN CENTRAL SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (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
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution Contributions in relation to the contractually required contribution	\$ 313	\$ 256	\$ 328	\$ 336	\$ 331	\$ 331	\$ 335	\$ 323	\$ 323	\$ 350
Contribution deficiency (excess)	\$ -	\$ -	\$ 328	\$ 336	\$ 331	\$ 331	\$ 335	\$ 323	\$ 323	\$ 350
Covered-employee payroll Contributions as a percentage of covered-employee payroll	\$ 2,565	\$ 2,652	\$ 2,277	\$ 2,551	\$ 2,405	\$ 2,356	\$ 2,311	\$ 2,355	\$ 2,169	\$ 2,116
	12.21%	9.65%	14.40%	13.17%	13.76%	14.05%	14.50%	13.72%	14.89%	16.54%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Contractually required contribution Contributions in relation to the contractually required contribution	\$ 610	\$ 567	\$ 549	\$ 535	\$ 649	\$ 638	\$ 691	\$ 657	\$ 737	\$ 869
Contribution deficiency (excess)	\$ -	\$ -	\$ 549	\$ 535	\$ 649	\$ 638	\$ 691	\$ 657	\$ 737	\$ 869
Covered-employee payroll Contributions as a percentage of covered-employee payroll	\$ 6,020	\$ 5,930	\$ 5,954	\$ 5,763	\$ 5,378	\$ 6,467	\$ 5,619	\$ 5,619	\$ 5,575	\$ 5,429
	10.14%	9.56%	9.22%	9.28%	12.07%	9.87%	12.30%	11.69%	13.22%	16.01%

OTHER SUPPLEMENTARY INFORMATION

COOPERSTOWN CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	School Lunch	Debt Service	Extraclassroom Activities	Scholarships	(Formerly major) Special Aid	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents - Unrestricted	\$ 118,712	\$ -	\$ -	\$ -	\$ 11,620	\$ 130,332
Cash and cash equivalents - Restricted	-	-	78,286	689,356	-	767,642
Accounts receivable	4,524	-	-	-	-	4,524
Due from other funds	2,233	-	-	-	47,331	49,564
Other receivables	-	-	-	-	4,826	4,826
State and federal aid receivable	13,378	-	-	-	334,638	348,016
Inventory	6,019	-	-	-	-	6,019
TOTAL ASSETS	\$ 144,866	\$ -	\$ 78,286	\$ 689,356	\$ 398,415	\$ 1,310,923
LIABILITIES AND FUND BALANCES						
Accounts payable and accrued liabilities	\$ 26,781	\$ -	\$ -	\$ -	\$ -	\$ 26,781
Due to other funds	3,348	-	-	-	374,577	377,925
Due to other governments	1,113	-	-	-	-	1,113
Unearned revenue	-	-	-	-	23,838	23,838
TOTAL LIABILITIES	31,242	-	-	-	398,415	429,657
FUND BALANCE						
Non-spendable						
Reserve for inventory	6,019	-	-	-	-	6,019
Restricted						
Debt Service	-	-	-	-	-	-
Other	-	-	78,286	689,356	-	767,642
Total restricted fund balance	-	-	78,286	689,356	-	767,642
Assigned - Unappropriated	107,605	-	-	-	-	107,605
TOTAL FUND BALANCE	113,624	-	78,286	689,356	-	881,266
TOTAL LIABILITIES AND FUND BALANCE	\$ 144,866	\$ -	\$ 78,286	\$ 689,356	\$ 398,415	\$ 1,310,923

COOPERSTOWN CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	School Lunch	Debt Service	Extracurricular Activities	Scholarships	(Formerly major) Special Aid	Total Non-Major Governmental Funds
REVENUE:						
Use of money and property	\$ 14	\$ 94,289	\$ -	\$ -	\$ -	\$ 94,303
Miscellaneous	52	-	142,069	-	11,609	153,730
State sources	7,101	-	-	-	76,791	83,892
Federal sources	220,997	-	-	-	677,478	898,475
Contributions	-	-	-	64,098	-	64,098
Sales	259,563	-	-	-	-	259,563
Total revenue	487,727	94,289	142,069	64,098	765,878	1,554,061
EXPENDITURES:						
Instruction	-	-	-	-	799,141	799,141
Employee benefits	107,841	-	-	-	13,222	121,063
Debt service - interest	-	16,934	-	-	-	16,934
School lunch	512,108	-	-	-	-	512,108
Other	-	-	162,630	39,650	-	202,280
Total expenditures	619,949	16,934	162,630	39,650	812,363	1,651,526
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(132,222)	77,355	(20,561)	24,448	(46,485)	(97,465)
OTHER SOURCES AND (USES):						
Premium on issuance of debt	-	39,376	-	-	-	39,376
Operating transfers in	152,233	-	-	-	46,485	198,718
Operating transfers out	-	(616,372)	-	-	-	(616,372)
Total other sources (uses)	152,233	(576,996)	-	-	46,485	(378,278)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	20,011	(499,641)	(20,561)	24,448	-	(475,743)
FUND BALANCE - beginning of year, previously reported	93,613	499,641	98,847	664,908	-	1,357,009
Adjustment - changes from major fund to nonmajor fund	-	-	-	-	-	-
FUND BALANCE - beginning of year, as adjusted	93,613	499,641	98,847	664,908	-	1,357,009
FUND BALANCE - end of year	\$ 113,624	\$ -	\$ 78,286	\$ 689,356	\$ -	\$ 881,266

OTHER INFORMATION (UNAUDITED)

COOPERSTOWN CENTRAL SCHOOL DISTRICT

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

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 22,491,063
Add: Prior year's encumbrances	112,380
Original budget	<u>22,603,443</u>
Budget revisions	<u>112,379</u>
Final budget	<u>\$ 22,715,822</u>

SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget	<u>\$ 22,952,542</u>
Maximum allowed (4%)	<u>\$ 918,102</u>
General fund, fund balance subject to section 1318 of real property tax law:	
Total fund balance	\$ 7,881,855
Less:	
Appropriated fund balance	1,255,331
Encumbrances included in assigned fund balance	87,395
Restricted fund balance	<u>5,622,498</u>
Total adjustments	<u>\$ 6,965,224</u>
General fund, fund balance subject to section 1318 of real property tax law	<u>\$ 916,631</u>
Actual percentage	3.99%

COOPERSTOWN CENTRAL SCHOOL DISTRICT

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

PROJECT TITLE	Expenditures				Methods of Financing						Fund Balance June 30, 2024	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Federal Aid	Local Sources		Total
Improvements CI 2019	\$ 5,163,000	\$ 5,163,000	\$ 2,780,034	\$ 1,240	\$ 2,781,274	\$ 2,381,726	\$ 296,000	\$ -	\$ -	\$ -	\$ 296,000	\$ (2,485,274)
Smart Schools	496,437	496,437	320,560	-	320,560	175,877	-	320,560	-	-	-	320,560
SBHC Renovations	57,000	57,000	57,000	-	57,000	-	-	-	-	57,000	-	57,000
American Rescue Plan - ESSER	680,482	680,482	599,184	-	599,184	81,298	-	-	599,184	-	-	599,184
Improvements CO 2022	100,000	100,000	89,220	-	89,220	10,780	-	-	-	89,220	-	89,220
Capital Improvements 2023	2,500,000	2,500,000	302,859	1,480,790	1,783,649	716,351	573,000	-	-	-	-	573,000
Improvements CO 2023	100,000	100,000	-	96,146	96,146	3,854	-	-	-	96,146	-	96,146
Total	\$ 9,096,919	\$ 9,096,919	\$ 4,148,857	\$ 1,578,176	\$ 5,727,033	\$ 3,369,886	\$ 869,000	\$ 320,560	\$ 599,184	\$ 242,366	\$ 2,031,110	\$ (3,695,923)

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited) For the Year Ended June 30, 2024

Capital assets, net	<u>\$ 17,866,756</u>
Add:	
Unspent debt proceeds	<u>3,899,960</u>
Deduct:	
Bond anticipation note payable	6,794,000
Short-term portion of bonds payable	790,000
Long-term portion of bonds payable	3,119,247
Short-term portion of Lease liabilities	180,123
Long-term portion of Lease liabilities	<u>203,870</u>
Total deductions	<u>11,087,240</u>
Net investment in capital assets	<u>\$ 10,679,476</u>

**REPORT REQUIRED BY GOVERNMENT
AUDITING STANDARDS**

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

October 8, 2024

To the Board of Education and Superintendent of the
Cooperstown Central School District:

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Cooperstown Central School District (School District), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 8, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and significant deficiencies may exist that have not been 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
(Continued)**

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bonadio & Co., LLP

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

October 8, 2024

To the Board of Education and Superintendent of the
Cooperstown Central School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cooperstown Central School District's (School District) compliance with the types of compliance requirements identified in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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(Continued)

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

(Continued)

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

Report on Internal Control over Compliance (Continued)

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

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

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

Bonadio & Co., LLP

COOPERSTOWN CENTRAL SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identification Number	Expenditures
<u>U.S. Department of Agriculture</u>			
National School Lunch Program (food donations)	10.555	N/A	\$ 24,439
Passed-through New York State Dept. of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	152,759
Total National School Lunch Program			<u>177,198</u>
School Breakfast Program	10.553	N/A	43,862
Total Child Nutrition Cluster			<u>221,060</u>
Total U.S. Department of Agriculture			<u>221,060</u>
<u>U.S. Department of Education</u>			
Passed-through New York State Dept. of Education:			
Special Education Cluster (IDEA):			
IDEA, Part B - 611	84.027	0032-24-0732	225,983
COVID-19 - IDEA, Part B - 611	84.027X	5532-23-0732	3,054
IDEA, Part B - 619	84.173	0032-24-0732	5,358
COVID-19 - IDEA, Part B - 619	84.173X	5533-23-0732	442
Total Special Education Cluster (IDEA)			<u>234,837</u>
Other Programs:			
Title 1 Grants to Local Educational Agencies	84.010	0021-24-2420	150,216
Total Title I Grants to Local Educational Agencies			<u>150,216</u>
ESEA TITLE II Part A, Improving Teacher Quality grant	84.367	0147-24-2420	16,648
ESEA TITLE II Part A, Improving Teacher Quality grant	84.367	0147-23-2420	11,280
Total Title II, Part A, Improving Teacher Quality grant			<u>27,928</u>
Student Support and Academic Enrichment Program	84.424	0204-24-2420	10,000
Total Student Support and Academic Enrichment			<u>10,000</u>
COVID-19 - Education Stabilization Fund - ARP	84.425D	5880-21-2420	174,501
COVID-19: American Rescue Plan-Elementary and	84.425U	5891-21-2420	79,996
Total COVID-19 Education Stabilization Fund			<u>254,497</u>
Total Other Programs			<u>442,641</u>
Total U.S. Department of Education			<u>677,478</u>
Total expenditures of federal awards			<u>\$ 898,538</u>
<u>Total Program Expenditures by Assistance Listing Number</u>			
National School Lunch Program	10.555	N/A	<u>\$ 177,198</u>

The accompanying notes are an integral part of this schedule.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Cooperstown Central School District (the School District), under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the School District's general ledger. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable.

3. PASS-THROUGH PROGRAMS

Where the School District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing (AL) number advised by the pass-through grantor.

Identifying numbers, other than the Assistance Listing Numbers, which may be assigned by pass-through grantors, are not maintained in the School District's financial management system. The School District has identified certain pass-through identifying numbers and included them in the Schedule, as available.

4. INDIRECT COSTS

Indirect costs are not included in the reported expenditures as they are not included in the federal funding for each program. The School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

5. MATCHING COSTS

Matching costs, i.e., the School District's or State's share of certain program costs, are not included in the reported expenditures.

6. NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a "non-monetary" program. During the year ended June 30, 2024, the District received food commodities, the fair value of which amounted to \$24,439, is presented in the Schedule as National School Lunch Program (Division of Donated Foods, AL#10.555) and was considered in the District's single audit.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiencies identified?

yes none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance

yes no

The major federal programs of the School District for the year ended June 30, 2024 was as follows:

U.S. Department of Education

COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (84.425)

The dollar threshold used to distinguish Types A/B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

Part II – Financial Statement Audit

No current year findings.

Part III – Federal Award Findings and Questioned Costs

No current year findings.

APPENDIX C

FORM OF DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Cooperstown Central School District, Otsego County, New York (the “Issuer”) in connection with the issuance of its \$6,540,000 Bond Anticipation Note(s), 2025 or interests therein (such Note(s), including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) 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 Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) 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 an obligated person 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 obligated person, 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 obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions.

“EMMA” means Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

“Purchaser” means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

“Security Holder” means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

