PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

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

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

$17,944,338

CORNWALL CENTRAL SCHOOL DISTRICT

ORANGE COUNTY, NEW YORK

GENERAL OBLIGATIONS

$17,944,338 Bond Anticipation Notes, 2025

(the "Notes")

Dated: June 17, 2025 **Due: June 17, 2026**

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

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

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

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $9,338. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser, or about June 17, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 3, 2025 by no later than 10:45 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

May 22, 2025

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

CORNWALL CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

JIM CREAGAN
President

CHRISTINE DIAZ
Vice President

ELEONORA FAZIO
CHRISTIAN BUNELLI

CARL GILPATRICK
RICHARD SCHAFFNER
BASS SHAKRA

BRENDAN CARTY
TIFFANY GAGLIANO

* * * * * * * * *

TERRY J. DADE
Superintendent of Schools

JOHN FINK
Assistant Superintendent for Business

MEGAN ARGENIO
Assistant Superintendent for Instruction

CELINE MAXWELL
District Treasurer

ROSEANN D'ESPOSITO
Tax Collector

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

ORRICK, HERRINGTON & SUTCLIFFE, LLP
Bond Counsel

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

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

CORNWALL CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

Relating To

$17,944,338 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the Cornwall Central School District, Orange County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $17,944,338 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held

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

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

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

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

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated June 17, 2025 and will mature June 17, 2026. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

On May 17, 2022, the qualified voters of the District approved two propositions authorizing the reconstruction and improvements to District buildings and facilities at a maximum cost of $14,522,456 with $3,160,000 capital reserve money, and the remaining $11,362,456 coming from the issuance of bond anticipation notes and serial bonds. On May 17, 2022, the qualified voters of the District also approved a proposition authorizing the reconstruction and improvements to the High School Athletic Complex at a maximum cost of $8,471,882 with $1,840,000 capital reserve money, and the remaining $6,631,882 coming from the issuance of bond anticipation notes and serial bonds. The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and two bond resolutions adopted by the Board of Education on July 10, 2023.

The proceeds of the Notes, along with $50,000 available funds of the District will partially redeem and renew $12,000,000 bond anticipation notes maturing June 18, 2025 and provide $5,994,338 new money for the aforementioned purposes.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $9,338. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District, located approximately 60 miles north of New York City, is situated in Northeastern Orange County on the west bank of the Hudson River. The District has a land area of approximately 37 square miles and is comprised of portions of the Towns of Cornwall (74.5% of the current full value of taxable real property of the District), New Windsor (20.3%) and Woodbury (5.2%) (together, the "Towns").

The character of the District is suburban residential in nature with some retail business activity. The majority of homes within the District are single-family. Many residents of the District commute to New York City for employment. In addition, residents of the District are employed throughout the County. See "Major Non-Governmental Employers in the County" herein.

Municipal services, which include police and fire protection, water and sewer services, a library system and park facilities are provided by the three Towns. Electricity and natural gas are provided throughout the District by CH Energy Corp. and Orange & Rockland Utilities. Cable TV is provided by a private cable company.

The District is served by a network of highways, which includes New York State Routes 9W, 32 and 218 and access to the New York State Thruway and Interstate 84. Commuter rail passenger service is provided by the Metro-North Division of the Metropolitan Transportation Authority (station in Salisbury Mills), while Conrail provides freight services. Commercial air transportation is available at nearby Stewart Airport in Newburgh.

Source: District officials.

Population

The current estimated population of the District is 17,980. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2019-2023	% Change	2006-2010	2019-2023	% Change
Towns of:						
Cornwall	$ 36,658	$ 54,654	49.09%	$ 100,899	$ 136,328	35.11%
New Windsor	31,652	48,252	52.45	86,375	119,318	38.14
Woodbury	40,966	48,665	18.79	105,223	145,774	38.54
Village of:						
Cornwall-on-Hudson	42,524	67,998	59.90	91,250	154,250	69.04
County of						
Orange	28,944	42,019	45.17	82,480	113,255	37.31
State of:						
New York	30,948	49,520	60.01	67,405	105,060	55.86

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.

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

Major Non-Governmental Employers in the County (400+ Employees)

Name	Type	Approx. No. Employees
Orange Regional Medical Center	Hospital	2,524
Crystal Run Healthcare	Physician Specialty Practice	1,625
Access: Supports for Living	Rehabilitation Services	1,289
St. Luke’s/Cornwall Hospital	Hospital	1,247
Elant Inc.	Senior Health and Housing	1,200
C&S Grocers Inc.	Distribution Center	1,107
Mount Saint Mary College	College	1,000
Empire Blue Cross / Blue Shield	Health Insurance	795
AHRC	Services for Development Disabilities	750
Time Warner Cable	Television, Cable, Communications	750
Kolmar Laboratories Inc.	Cosmetics / Personal Care Manufacturing	650
Amscan Inc.	Distribution	525
Horizon Family Medical Group	Health Care	500
Bon Secours Community Hospital	Hospital	490
Staples Inc.	Distribution Center - Office Supplies	460
Verla Internatonal Ltd.	Cosmetics Manufacturing	445
YRC	Trucking Transportation	435
United Natural Foods	Food Manufacturer	400
Adeco	Staffing Service	400

Source: District officials.

Unemployment Rate Statistics

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

Annual Average

	2018	2019	2020	2021	2022	2023	2024
Orange County	3.9%	3.6%	8.0%	4.8%	3.3%	3.5%	3.7%
New York State	4.1	3.8	9.9	7.0	4.3	4.1	4.3

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May
Orange County	4.1%	4.4%	3.9%	3.1%	N/A
New York State	4.6	4.3	4.1	3.6	N/A

Note: Unemployment rates for May 2025 are unavailable as of the date of this Official Statement

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

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business and the District Clerk.

District Organization

The District is an independent entity governed by an elected board of education comprised of nine members. District operations are subject to the provisions of the Education Law of the State affecting central school districts and school districts in general; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are elected on a rotating basis by the qualified voters at the annual elections of the District. The term of office for each board member is 3 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and this person is the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are: the adoption of annual budgets (subject to voter approval), the levy and collection of real property taxes, the authorization of the issuance of bonded debt (also generally subject to voter approval except in limited cases), the appointment of such employees as may be necessary, and such other duties as may be reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools who serves at its pleasure. The Superintendent is the chief executive officer of the school district and the educational system. In addition, the Superintendent is an ex-officio member of the Board of Education with the right to speak on all matters before the Board but not to vote. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the school and other educational, social and recreational activities under the direction of the Board of Education.

Budgetary Procedures

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

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

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

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 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.

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 with a vote of 1,319 yes to 485 no. The District's adopted budget included a 1.72% tax levy increase, which was within the District's Tax Cap of 3.12% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 with a vote of 1,123 yes to 411 no. The District's adopted budget included a 2.75% tax levy increase, which was within the District's Tax Cap of 3.08% for the 2025-26 fiscal year.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the District has an investment policy applicable to the investment of all moneys and financial resources of the District. The responsibility for the investment program has been delegated by the Board of Education to the District Treasurer for who was required to establish written operating procedures consistent with the District's investment policy guidelines. According to the investment policy of the District, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The District has designated ten banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The District is permitted to invest in special time deposits or certificates of deposit. In addition, the District has authorized pooled investments with NYCLASS.

In addition to bank deposits, the District is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the District include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the District (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the District but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The District may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the District, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All District deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities," "eligible surety bonds" or "eligible letter of credit" as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The District's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection such deposits in the event of a default. Securities not registered or inscribed in the name of the District must be delivered, in a form suitable for transfer or with an assignment in blank, to the District or its designated custodial bank. The custodial agreements used by the District provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter of credit may be issued, in favor of the District, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the District in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 38.76% 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 the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, twenty-eight (28) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

The State receives a substantial amount of federal aid for other 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, including the diversion of federal resources to address the any pandemic outbreak.

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.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 74.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent 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 $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. 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 was continued under existing aid formulas. Out-year growth in School Aid reflects 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% percent 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 percent 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.

School district fiscal year (2021-2022): The State's 2021-22 Budget includes $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.

School district fiscal year (2022-2023): The State's 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's 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's 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.

School district fiscal year (2023-2024): The State's Budget for fiscal 2023-24 was enacted on May 2, 2024 and provides for a total of $34 billion in State funding to school districts for the 2023-24 school year. The enacted budget for fiscal 2023-24 represents a $3.2 billion or 10.4% increase in State funding for education, and includes a $2.629 billion, or 12.3% percent Foundation Aid increase.

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

School district fiscal year (2025–2026): The State's 2025-26 Budget includes approximately $37 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments.

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 CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy 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 this much-needed funding to our students. 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 historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available on the top of the following page:

A breakdown of currently anticipated Foundation Aid funding is available on the following page:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 71,941,613	$ 20,958,161	29.13%
2020-2021	72,673,217	20,584,692	28.33
2021-2022	74,924,125	22,524,186	30.06
2022-2023	79,179,324	25,799,058	32.58
2023-2024	85,237,356	31,128,239	36.52
2024-2025 (Budgeted)	87,435,878	33,612,320	38.44
2025-2026 (Budgeted)	90,297,199	34,997,138	38.76

Source: Audited Financial Statement for the 2019-2020 fiscal year through and including the 2023-2024 fiscal year and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

District Facilities

Name	Originally Built	Alterations or Additions	Grades	Capacity
Cornwall-on-Hudson	1922	2003/2009/2016	K-4	275
Cornwall Elementary	1966	1988/2003/2009/2016	K-4	750
Willow Avenue	1930	1975/2003/2009/2016	K-4	325
Cornwall Middle School	1956	1964/1977/2003/2009/2011/2016	5-8	1,124
Cornwall High School	2003	2016	9-12	1,200
			Total Capacity:	3,674

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	3,002	2025-2026	3,038
2021-2022	2,996	2026-2027	3,046
2022-2023	2,971	2027-2028	3,054
2023-2024	3,005	2028-2029	3,062
2024-2025	3,030	2029-2030	3,070

Note: The figures above include K-12 and Special Education enrollments.

Source: District Records and Estimates.

Employees

The total number of persons employed full-time by the District is approximately 463. The collective bargaining agents, who represent most of them and the dates of expiration of the various bargaining agreements, are as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
287	Cornwall Teachers' Association	June 30, 2025 [1]
73	Cornwall Para-Professionals Association	June 30, 2026
33	Cornwall Clerical Workers Association	June 30, 2025 [2]
48	CSEA – Maintenance	June 30, 2026
3	CSEA – Food Service	June 30, 2026
19	Cornwall Administrators' Association	June 30, 2025 [1]

[1] Tentative settlement agreement reached extending contract to June 30, 2030.
[2] Tentative settlement agreement reached extending contract to June 30, 2028.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

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

Fiscal Year	ERS	TRS
2020-2021	$ 789,895	$ 2,914,816
2021-2022	728,864	2,973,783
2022-2023	593,399	3,290,599
2023-2024	732,635	3,376,469
2024-2025	939,836	3,739,610
2025-2026 (Budgeted)	1,004,333	3,347,867

Source: District officials.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

State Fiscal Year	ERS	TRS
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

*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 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

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

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

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

Other Post-Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

Summary of Changes from the Last Valuation. The District contracted with Aon, an actuarial firm, to calculate its first actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Balance at June 30:	July 1, 2022	July 1, 2023
	$ 140,349,023	$ 120,119,713
Changes for the year:		
Service cost	7,692,426	5,662,992
Interest	3,174,307	4,408,213
Changes of benefit terms	-	-
Differences between expected and actual experience	898,621	(18,565)
Changes in assumptions or other inputs	(29,817,510)	(2,268,576)
Benefit payments	(2,177,154)	(2,535,883)
Net Changes	$ (20,229,310)	$ 5,248,181
Balance at June 30:	**June 30, 2023**	**June 30, 2024**
	$ 120,119,713	**$ 125,367,894**

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

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2023 and June 30, 2024.

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for school districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

The District retained the firm of EFPR Group, PLLC., Certified Public Accountants to audit its financial statements for the fiscal year ended June 30, 2024 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found in the appendices to the Official Statement.

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

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

New York State Comptroller 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 August 20, 2021. The purpose of the audit was to determine whether Cornwall Central School District (District) officials established adequate internal controls over the District's user accounts and software updates to help prevent unauthorized use, access and loss for the period July 1, 2019 through July 9, 2020.

Key Findings:

District officials did not establish adequate internal controls to safeguard the District's user accounts. Specifically:

- Network user accounts were not adequately managed.
- Officials did not monitor compliance with the District's Acceptable Use Policy (AUP).
- The Board did not adopt adequate information technology (IT) policies or a disaster recovery plan.

Sensitive IT control weaknesses, including issues related to software updates, were communicated confidentially to officials.

Key Recommendations:

- Develop written procedures for managing system access that include periodically reviewing user access and disabling unnecessary network user accounts.
- Monitor Internet use to ensure employees comply with the AUP.
- Adopt comprehensive IT policies and a disaster recovery plan.

The District provided a complete response to the State Comptroller's office on July 28, 2021. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the District that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

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

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Cornwall	$ 1,459,485,336	$ 1,463,757,133	$ 1,463,272,274	$ 1,469,493,211	$ 1,481,231,712
New Windsor	60,848,615	62,257,946	64,208,094	65,639,565	66,070,526
Woodbury	44,309,522	44,364,716	43,947,084	43,918,142	44,832,614
Total Assessed Values	$ 1,564,643,473	$ 1,570,379,795	$ 1,571,427,452	$ 1,579,050,918	$ 1,592,134,852
State Equalization Rates					
Towns of:					
Cornwall	95.23%	93.00%	75.45%	67.45%	65.17%
New Windsor	15.31%	14.49%	12.63%	10.98%	10.64%
Woodbury	35.75%	37.00%	32.30%	29.30%	28.30%
Taxable Full Valuations					
Towns of:					
Cornwall	$ 1,532,589,873	$ 1,573,932,401	$ 1,939,393,339	$ 2,178,640,787	$ 2,272,873,580
New Windsor	397,443,599	429,661,463	508,377,625	597,810,246	620,963,590
Woodbury	123,942,719	119,904,638	136,059,084	149,891,270	158,419,131
Total Taxable Full Valuation	$ 2,053,976,191	$ 2,123,498,502	$ 2,583,830,047	$ 2,926,342,303	$ 3,052,256,301

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Cornwall	$ 25.60	$ 25.81	$ 26.14	$ 26.13	$ 26.37
New Windsor	159.22	165.64	156.17	160.51	161.54
Woodbury	68.19	64.87	61.07	60.15	60.74

General

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the Towns of Cornwall, New Windsor and Woodbury. Assessment valuations are determined by the Town assessors and Office of Real Property Tax Services ("ORPTS") which is responsible for certain utility and railroad property. In addition, the ORPTS annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations.

Tax Collection Procedures

The real property taxes of the District are levied by the District and collected by the District Tax Collector. Such taxes are due and payable on September 1 but may be paid through September 30 without penalty. Tax payments are subject to a 2% penalty from October 1 through October 31 and 3% from November 1 to November 15. On November 15, the District files a report of any uncollected taxes with the County. The County thereafter, on or before April 1, pays to the District the amount of its uncollected taxes. Thus, the full amount of the District's real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes in order to reimburse any uncollected taxes to the District.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy [(1)]	$ 50,069,343	$ 50,965,243	$ 50,965,243	$ 51,575,246	$ 52,462,363
Amount Uncollected	2,001,900	1,743,267	1,557,955	1,623,246	1,723,632
% Uncollected	4.00%	3.42%	3.06%	3.15%	3.29%

[(1)] See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes [(1)]	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 71,941,613	$ 49,463,522	68.76%
2020-2021	72,673,217	50,143,026	69.00
2021-2022	74,924,125	51,066,575	68.16
2022-2023	79,179,324	51,108,174	64.55
2023-2024	85,237,356	51,751,107	60.71
2024-2025 (Budgeted)	87,079,345	52,194,149	59.94
2025-2026 (Budgeted)	90,297,199	53,959,320	59.76

[(1)] Inclusive of Other Tax Items which represents STAR tax payments made to the District by the State. See “STAR - School Tax Exemption” herein.

Source: Audited Financial Statement for the 2019-2020 fiscal year through and including the 2023-2024 fiscal year and the adopted budgets for the 2024-2025 and 2025-2026 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2024 Assessment Roll for 2024-2025 School District Tax Roll

Name	Type	Property Taxes	Total Taxable Assessed Valuation	Percentage of Total Assessed Valuation
Central Hudson Gas & Electric Corp	Utilities	$ 1,152,669	$ 35,740,630	2.24%
Idlewild Creek, LLP	Apartments	592,506	21,850,000	1.37%
Palisades Interstate Park Comm.	Land	425,616	15,261,029	0.96%
Village of Kiryas Joel [(1)]	Utilities	320,390	10,621,700	0.67%
Cornwall Apartments I LLC [(1)]	Apartments	261,679	9,650,000	0.61%
Vails Gate Business Ctr. LLC	Commercial	255,301	9,887,700	0.62%
Temple Hill Brand LLC	Commercial	196,542	2,445,970	0.15%
Canterbury Green	Apartments	194,779	7,182,900	0.45%
Village of Cornwall on Hudson	Utilities	159,375	5,877,300	0.37%
Windemere MHC LLC	Apartments	158,053	951,600	0.06%
Total		$ 3,716,910	$ 119,468,829	7.50%

[(1)] Tax Certiorari pending. Currently seeking to reduce assessed value: Village of Kiryas Joel by approximately 100% and Cornwall Apartments by approximately 90%. See also “LITIGATION” herein.

Source: District Tax Rolls.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential – 88.6%, Commercial – 10%, and Agriculture/conservation/land – 1.4%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,960 including County, Town, Village, and School District taxes.

STAR – School Tax Exemption

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

The 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The 2022-2023 State Budget provided $2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Cornwall	$ 72,620	$ 25,300	4/10/2025
New Windsor	11,860	4,130	4/10/2025
Woodbury	31,540	10,990	4/10/2025

$2,064,111 of the District's school tax levy for 2024-2025 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately $1,855,087 of the District's school tax levy for 2025-2026 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January 2026.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015, a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016, the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals. See also "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 varied based on a taxpayer's personal income level and STAR tax savings. Under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. For taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 20 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, and Chapter 20 has provided an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 25,755,000	$ 23,370,000	$ 20,900,000	$ 16,670,000	$ 14,620,000
Bond Anticipation Notes	0	0	0	0	12,000,000
NYPA Loan (1)	3,447,321	3,136,862	2,815,349	2,501,924	2,186,776
Total Debt Outstanding	$ 29,202,321	$ 26,506,862	$ 23,715,349	$ 19,171,924	$ 28,806,776

(1) See "Other Obligations" herein. Does not constitute general obligation debt but does count toward the District's debt limit.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 22, 2025.

Type of Indebtedness	Maturity		Amount
Bonds	2025-2030		$ 12,480,000
NYPA Loan	May 1, 2030		1,979,838
Bond Anticipation Notes			
Capital Improvement Project	June 18, 2025		12,000,000 (1)
		Total Indebtedness	$ 26,459,838

(1) To be partially redeemed and renewed with the proceeds of the Notes and $50,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 22, 2025:

Full Valuation of Taxable Real Property			$ 3,052,256,301
Debt Limit 10% thereof			305,225,630
Inclusions:			
Bonds	$ 12,480,000		
Bond Anticipation Notes (BANs):	12,000,000		
Total Inclusions prior to issuance of the Notes	24,480,000		
Less: BANs being redeemed from appropriations	(50,000)		
Add: New money proceeds of the Notes	5,994,338		
Total Net Inclusions after issuance of the Notes		$ 30,424,338	
Exclusions:			
State Building Aid (1)	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 30,424,338
Net Debt-Contracting Margin			$ 274,801,292
The percent of debt contracting power exhausted is			9.97%

(1) Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 74.6% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

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

Bonded Debt Service

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

Capital Project Plans

On May 17, 2022 the District voters approved two propositions for capital projects. The first proposition approved a $14,522,456 capital project with the use of $3,160,000 capital reserve monies for various reconstruction and improvements to District buildings and facilities. The second proposition approved a $8,471,882 capital project with the use of $1,840,000 capital reserve monies for improvements and reconstruction to the District High School Athletic Complex. The District currently has $12,000,000 bond anticipation notes outstanding and maturing June 18, 2025 for the aforementioned projects. The Notes are being issued along with $50,000 available funds of the District to partially redeem and renew the bond anticipation notes maturing June 18, 2025 and provide $5,994,338 new money for the aforementioned project.

Other than as stated above, there are no other significant capital projects authorized or unissued by the District.

Cash Flow Borrowings

The District has not issued tax anticipation notes and/or revenue anticipation notes and/or deficiency or budget notes in the past five fiscal years and does not anticipate the need to issue revenue and/or tax anticipation notes and/or deficiency or budget notes in the foreseeable future.

Other Obligations

In 2016, the District entered into an installment loan with the New York Power Authority in the amount of $4,830,243 at an interest rate of 5.01% to finance energy efficiency improvements. The District will make $32,997 monthly principal payments through May 2030. Below is a schedule of such payments by fiscal year.

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 395,968	$ 50,262.43	$ 446,230.03
2026	395,968	41,555.46	437,523.06
2027	395,968	32,629.19	428,596.79
2028	395,968	23,478.08	419,445.68
2029	395,968	14,096.51	410,064.11
2030	362,970	4,478.65	367,448.95
TOTAL	$ 2,342,808	$ 166,500.32	$ 2,509,308.62

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:						
Orange	6/28/2024	$ 225,155,000 [3]	$ 15,055,000	$ 210,100,000	5.44%	$ 11,429,440
Town of:						
Cornwall	4/8/2025	18,308,507 [3]	857,500	17,451,007	98.39%	17,170,046
New Windsor	6/14/2024	35,415,000 [3]	17,845,000	17,570,000	15.32%	2,691,724
Woodbury	12/31/2023	4,250,000 [4]	- [5]	4,250,000	5.83%	247,775
Village of:						
Cornwall-on-Hudson	5/31/2023	1,743,630 [4]	- [5]	1,743,630	100.00%	1,743,630
					Total:	$ 33,282,615

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

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

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

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

(5) Information regarding excludable debt not available.

Debt Ratios

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

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 30,424,338	$ 1,692.12	1.00%
Net Indebtedness Plus Net Overlapping Indebtedness [d]...........	63,706,953	3,543.21	2.09

(a) The current estimated population of the District is 17,980. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is $3,052,256,301. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is $33,282,615. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also "THE SCHOOL DISTRICT - State Aid").

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

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

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

Federal Policy Risk. Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

TAX MATTERS

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

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

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

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

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

LEGAL MATTERS

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

LITIGATION

The District has several claims that are currently being litigated with the support of legal counsel in the ordinary conduct of its affairs. The results of such claims are unknown at this time however these claims are not expected to have a material impact on District on the financial condition of the District individually, nor in aggregate.

Various property owners have filed certiorari claims under Article 7 of the Real Property Tax Law, including two of the ten largest taxpayers (see "TAX INFORMATION –Ten Largest Taxpayers – 2024 Assessment Roll for the 2024-2025 School District Tax Roll" herein). These taxpayers assert that their property values, as presently determined, are excessive and request assessment reductions and, in most actions, a refund of property taxes previously paid. It is not possible to provide an estimate of the District's ultimate financial exposure but historically tax certiorari settlements have resulted in assessment reductions and related tax refunds for amounts less than the original claim. The District maintains a reserve for tax certiorari that contained $886,715 as of June 30, 2024. In any event, pursuant to law the District may issue bonds or notes to finance tax certiorari refunds.

The District was the subject of a claim filed under the New York Child Victims Act. The claim was settled in the Fall of 2024 with no material impact on District finances.

CONTINUING DISCLOSURE

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

Historical Compliance

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

The District’s Annual Financial Information and Operating Data (“AFIOD”) for the fiscal year ended June 30, 2019 was required to be filed to the Electronic Municipal Market Access (“EMMA”) no later than December 31, 2019 but was not filed until June 30, 2020. The District’s Audited Financial Statements were filed to EMMA on December 31, 2019, which was 4 days late under certain outstanding undertaking agreements of the District. Failure to files were made to EMMA on December 31, 2019 and June 30, 2020.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

The Notes are <u>not</u> rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District’s Continuing Disclosure Undertakings. (See “APPENDIX – C”, attached hereto).

Moody's Investors Service (“Moody's”) has assigned its underlying rating of “Aa3” to the District’s outstanding bonds. The rating reflects only the view of Moody’s and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: John Fink, Assistant Superintendent for Business, Cornwall Central School District, 24 Idlewood Avenue, Cornwall-on-Hudson, New York 12520, Phone: (845) 534-8009 x 7104, Email: jfink@cornwallschools.com.

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

CORNWALL CENTRAL SCHOOL DISTRICT

Dated: May 22, 2025

JIM CREAGAN
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 9,677,362	$ 11,403,279	$ 8,760,364	$ 10,559,094	$ 9,290,696
Restricted Cash	4,740,731	4,566,354	9,201,035	4,448,206	7,788,996
State & Federal Aid Receivable	1,256,031	1,396,607	1,421,265	1,257,257	1,304,169
Due from Other Funds	966,789	1,149,027	2,583,937	3,835,863	6,484,039
Accounts Receivable	-	72,267	203,445	126,994	162,439
Other Receivables	395,277	-	-	-	-
Due from Fiduciary Funds	202,838	-	-	-	-
Prepaid Expenditures	761,670	784,920	873,164	905,377	953,202
TOTAL ASSETS	$ 18,000,698	$ 19,372,454	$ 23,043,210	$ 21,132,791	$ 25,983,541
LIABILITIES AND FUND BALANCE					
Accounts Payable	$ 1,244,146	$ 894,627	$ 1,163,267	$ 794,873	$ 2,212,793
Accrued Liabilities	27,656	50,376	72,120	50,398	46,580
Due to Other Funds	-	9,629	66,420	199,001	1,450,358
Due to Fiduciary Funds	-	-	-	-	-
Due to Other Governments	279	-	-	-	-
Due to Teachers' Retirement System	2,876,455	3,180,037	3,448,589	3,887,426	3,817,290
Due to Employees' Retirement System	189,492	219,176	157,765	188,314	227,214
Compensated Absences	135,756	91,328	45,806	107,285	161,190
TOTAL LIABILITIES	4,473,784	4,445,173	4,953,967	5,227,297	7,915,425
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenue	-	25,334	1,349	-	-
Deferred Revenue	427,592	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	427,592	25,334	1,349	-	-
FUND BALANCE					
Nonspendable	$ 761,670	$ 784,920	$ 873,164	$ 905,377	$ 953,202
Restricted	4,740,731	8,297,245	9,201,035	7,742,123	9,699,422
Assigned	4,615,123	2,754,331	4,755,631	3,768,287	3,805,061
Unassigned	2,981,798	3,065,451	3,258,064	3,489,707	3,610,431
TOTAL FUND EQUITY	13,099,322	14,901,947	18,087,894	15,905,494	18,068,116
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 18,000,698	$ 19,372,454	$ 23,043,210	$ 21,132,791	$ 25,983,541

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
REVENUES					
Real Property Taxes	$ 46,051,185	$ 47,010,139	$ 48,133,382	$ 48,450,499	$ 49,383,667
Other Tax Items	3,412,337	3,132,887	2,933,193	2,657,675	2,367,440
Charges for Services	592,828	538,619	340,270	313,306	191,307
Use of Money & Property	426,836	92,448	40,448	1,165,499	1,562,530
Sale of Property and Compensation for Loss	1,519	321	217,514	340	203
Miscellaneous	453,438	1,214,901	448,347	578,482	394,004
Revenues from State Sources	20,958,161	20,584,692	22,524,186	25,799,058	31,128,239
Revenues from Federal Sources	45,309	99,210	286,785	214,465	209,966
Total Revenues	$ 71,941,613	$ 72,673,217	$ 74,924,125	$ 79,179,324	$ 85,237,356
Other Sources:					
Interfund Transfers	263	-	-	-	-
Total Revenues and Other Sources	71,941,876	72,673,217	74,924,125	79,179,324	85,237,356
EXPENDITURES					
General Support	$ 7,155,993	$ 7,617,171	$ 8,193,837	$ 8,031,864	$ 9,114,456
Instruction	39,054,097	39,570,843	39,391,418	41,705,383	45,079,398
Pupil Transportation	3,019,712	3,208,063	3,796,836	4,015,466	5,619,083
Community Services	40,726	11,076	22,151	23,159	23,969
Employee Benefits	15,603,575	16,258,206	15,999,718	17,095,048	18,410,545
Debt Service	3,674,466	3,688,940	3,651,698	3,594,634	3,386,420
Total Expenditures	$ 68,548,569	$ 70,354,299	$ 71,055,658	$ 74,465,554	$ 81,633,871
Other Uses:					
Interfund Transfers	614,790	516,293	682,520	6,896,170	1,440,863
Total Expenditures and Other Uses	69,163,359	70,870,592	71,738,178	81,361,724	83,074,734
Excess (Deficit) Revenues Over Expenditures	2,778,517	1,802,625	3,185,947	(2,182,400)	2,162,622
FUND BALANCE					
Fund Balance - Beginning of Year	10,320,805	13,099,322	14,901,947	18,087,894	15,905,494
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 13,099,322	$ 14,901,947	$ 18,087,894	$ 15,905,494	$ 18,068,116

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024 Adopted Budget	2024 Final Budget	2024 Audited Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 49,335,667	$ 49,335,667	$ 49,383,667	$ 52,462,363	$ 53,959,320
Other Tax Items	2,372,165	2,372,165	2,367,440	-	75,000
Charges for Services	115,149	115,149	191,307	-	114,360
Use of Money & Property	744,468	744,468	1,562,530	-	881,381
Sale of Property and Compensation for Loss	-	-	203	-	-
Miscellaneous	150,000	170,614	394,004	1,361,195	190,000
Revenues from State Sources	31,995,238	31,995,238	31,128,239	33,612,320	34,997,138
Revenues from Federal Sources	30,000	30,000	209,966	-	80,000
Total Revenues	$ 84,742,687	$ 84,763,301	$ 85,237,356	$ 87,435,878	$ 90,297,199
Other Sources:					
Interfund Transfers	-	-	-	-	200,000
Prior Year Encumbrances	-	1,273,995	-	-	-
Appropriated Fund Balance	2,500,000	2,500,000	-	2,824,894	2,489,604
Total Revenues and Other Sources	87,242,687	88,537,296	85,237,356	90,260,772	92,986,803
EXPENDITURES					
General Support	$ 9,988,515	$ 10,389,969	$ 9,114,456	$ 10,591,461	$ 10,984,130
Instruction	47,611,527	47,878,266	45,079,398	48,481,412	50,351,822
Pupil Transportation	5,561,548	5,923,732	5,619,083	6,016,565	6,141,848
Community Services	23,970	23,970	23,969	24,200	24,684
Employee Benefits	19,053,683	19,326,915	18,410,545	20,169,019	20,290,893
Debt Service	3,539,571	3,521,618	3,386,420	3,809,259	4,211,542
Total Expenditures	$ 85,778,814	$ 87,064,470	$ 81,633,871	$ 89,091,916	$ 92,004,919
Other Uses:					
Interfund Transfers	1,463,873	1,472,826	1,440,863	1,168,857	981,884
Total Expenditures and Other Uses	87,242,687	88,537,296	83,074,734	90,260,772	92,986,803
Excess (Deficit) Revenues Over Expenditures	-	-	2,162,622	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	15,905,494	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 18,068,116	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 2,140,000	$ 677,500.00	$ 2,817,500.00
2026	2,245,000	567,875.00	2,812,875.00
2027	2,370,000	452,500.00	2,822,500.00
2028	2,495,000	330,875.00	2,825,875.00
2029	2,625,000	202,875.00	2,827,875.00
2030	2,745,000	68,625.00	2,813,625.00
TOTALS	$ 14,620,000	$2,300,250.00	$ 16,920,250.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2022 Refunding of 2012 Serial Bonds Principal	Interest	Total
2025	$ 2,140,000	$ 677,500.00	$ 2,817,500.00
2026	2,245,000	567,875.00	2,812,875.00
2027	2,370,000	452,500.00	2,822,500.00
2028	2,495,000	330,875.00	2,825,875.00
2029	2,625,000	202,875.00	2,827,875.00
2030	2,745,000	68,625.00	2,813,625.00
TOTALS	$ 14,620,000	$ 2,300,250	$ 16,920,250

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

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

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

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

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

CORNWALL CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2024

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

CORNWALL CENTRAL SCHOOL DISTRICT

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2024

CORNWALL CENTRAL SCHOOL DISTRICT

Table of Contents

CORNWALL CENTRAL SCHOOL DISTRICT

Table of Contents, Continued

* * * * * *

EFPR GROUP, CPAs PLLC

6390 Main Street, Suite 200
Williamsville, NY 14221

P 716.634.0700
TF 800.546.7556
F 716.634.0764
W EFPRgroup.com

INDEPENDENT AUDITORS' REPORT

The Board of Education
Cornwall Central School District
Cornwall, New York:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional pages 52 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents and the 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 of 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 23, 2024

CORNWALL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2024

Introductory Section

The following is a discussion and analysis of Cornwall Central School District's (the District) financial performance for the year ended June 30, 2024. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the year ended June 30, 2024 are as follows:

- Net position decreased $3,631,332.
- General Fund revenues were $474,055 more than budget.
- General Fund expenditures, other financing uses and encumbrances were $4,482,395 under budget.
- The District received federal funds for instructional programs and school lunch assistance of $1,583,839 and $623,140, respectively.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and 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 District:

- The first two statements are District-Wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-Wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

	District-Wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as collecting taxes for other governments
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance	• Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows of resources, liability and deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Current assets, deferred outflows of resources, liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All financial assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenue and expenses during the year; regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; 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

District-Wide Financial Statements

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

The two District-Wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and deferred outflows of resources and its liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The 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 District has two kinds of funds:

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

Financial Analysis of the District as a Whole

The District's net position at June 30, 2024 is ($83,478,280). This is a $3,631,332 decrease from last year's net position of ($79,846,948). The following table provides a summary of the District's net position:

Summary of Net Position

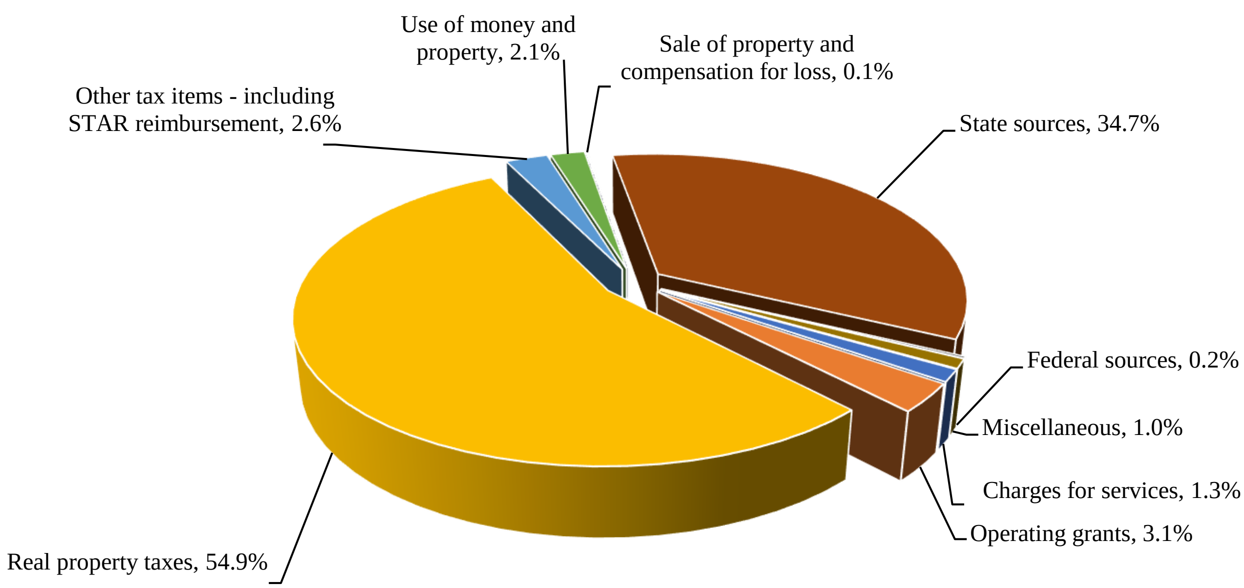
	2024	2023	Increase (Decrease)	Percentage Change
Current assets and other assets	$ 38,263,201	26,759,493	11,503,708	43.0%
Non-current assets	43,877,590	40,397,353	3,480,237	8.6%
Total assets	82,140,791	67,156,846	14,983,945	22.3%
Deferred outflows of resources	33,272,758	41,622,961	(8,350,203)	-20.1%
Current liabilities	6,731,251	5,129,966	1,601,285	31.2%
Long-term liabilities	161,539,231	149,204,919	12,334,312	8.3%
Total liabilities	168,270,482	154,334,885	13,935,597	9.0%
Deferred inflows of resources	30,621,347	34,291,870	(3,670,523)	-10.7%
Net investment in capital assets	13,833,145	19,787,057	(5,953,912)	-30.1%
Restricted	10,692,138	13,054,300	(2,362,162)	-18.1%
Unrestricted (deficit)	(108,003,563)	(112,688,305)	4,684,742	4.2%
Total net position (deficit)	$ (83,478,280)	(79,846,948)	(3,631,332)	-4.5%

The following table and supporting graphs provides a summary of revenue, expenses and changes in net position for the years ended June 30, 2024 and 2023:

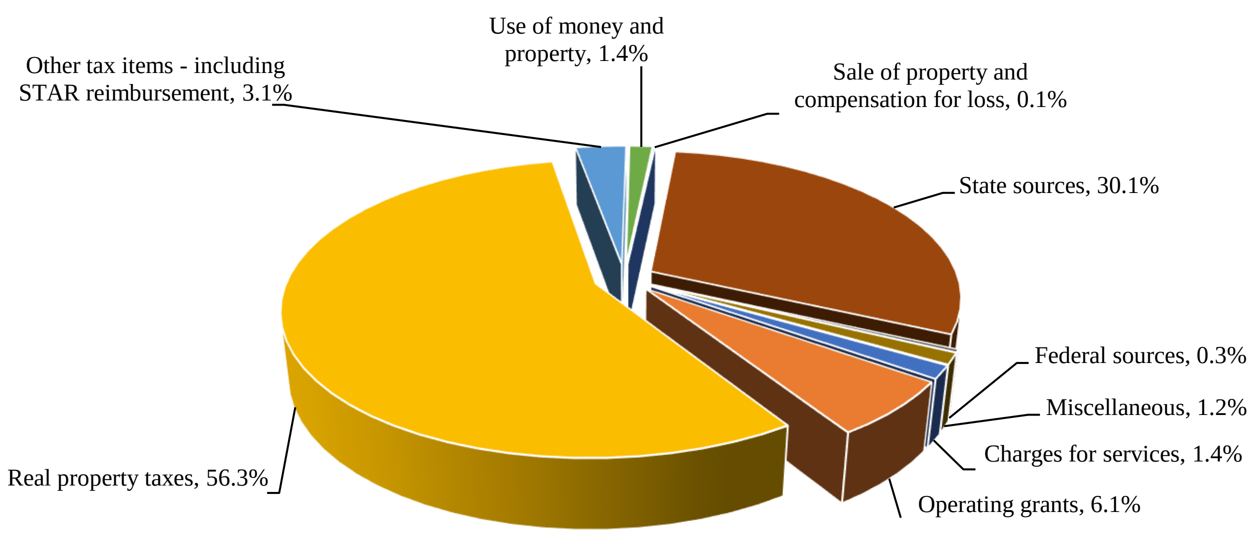
SUMMARY OF CHANGES IN NET POSITION

	2024	2023	Increase (Decrease)	Percentage Change
Revenue:				
Program revenue:				
Charges for services	$ 1,186,792	1,213,286	(26,494)	-2.2%
Operating grants	2,807,938	5,270,191	(2,462,253)	-46.7%
General revenue:				
Real property taxes	49,383,667	48,450,499	933,168	1.9%
Other tax items - including STAR reimbursement	2,367,440	2,657,675	(290,235)	-10.9%
Use of money and property	1,855,056	1,176,474	678,582	57.7%
Sale of property and compensation for loss	203	340	(137)	-40.3%
State sources	31,128,239	25,799,058	5,329,181	20.7%
Federal sources	209,966	214,465	(4,499)	-2.1%
Miscellaneous	915,779	998,117	(82,338)	-8.2%
Total revenue	89,855,080	85,780,105	4,074,975	4.8%
Expenses:				
General support	12,562,754	11,163,463	1,399,291	12.5%
Instructional	73,552,278	70,663,127	2,889,151	4.1%
Pupil transportation	5,845,297	4,211,690	1,633,607	38.8%
Community services	23,969	23,159	810	3.5%
Debt service - interest	806,828	462,585	344,243	74.4%
School lunch program	695,286	646,425	48,861	7.6%
Total expenses	93,486,412	87,170,449	6,315,963	7.2%
Change in net position	$ (3,631,332)	(1,390,344)	(2,240,988)	-161.2%

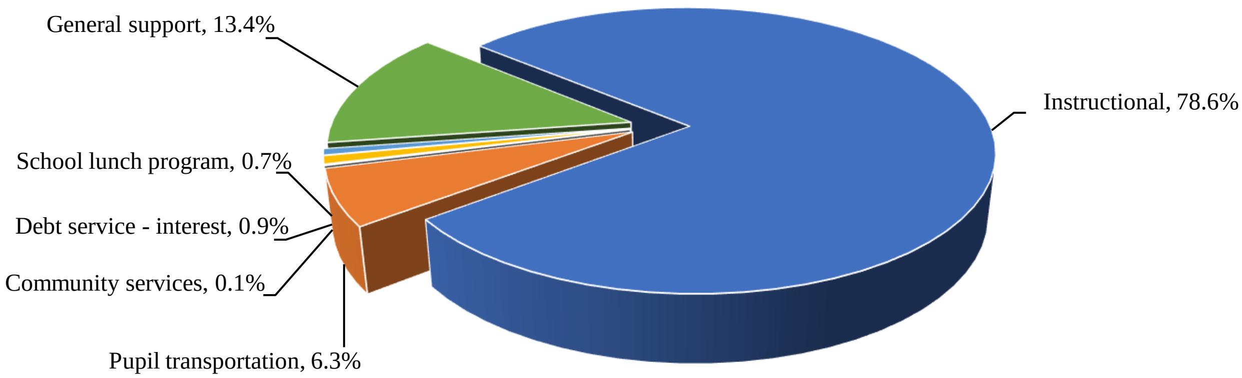
Sources of Revenue
Year ended June 30, 2024



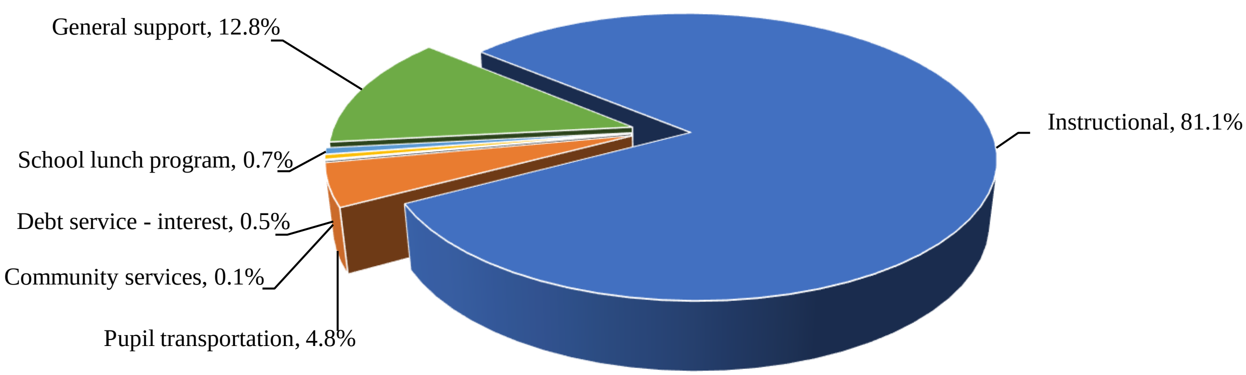
Sources of Revenue
Year ended June 30, 2023



Expenses
Year ended June 30, 2024



Expenses
Year ended June 30, 2023

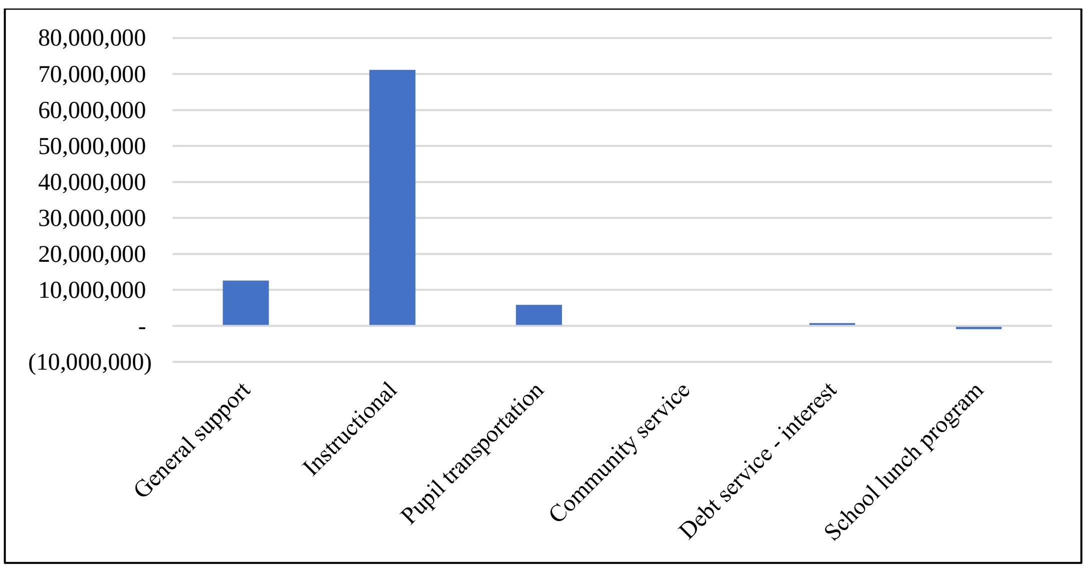


Summary of Net Costs

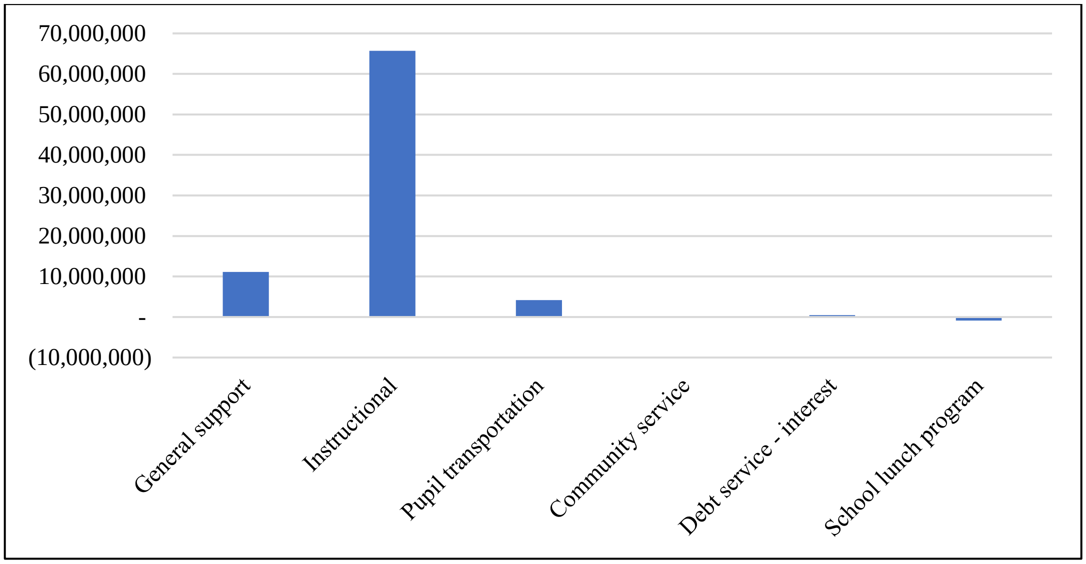
The following information is provided to disclose the net cost of governmental activities:

	Total Cost of Services 2023-2024	Net Cost of Services 2023-2024	Total Cost of Services 2022-2023	Net Cost of Services 2022-2023
General support	$ 12,562,754	12,562,754	11,163,463	11,163,463
Instructional	73,552,278	71,196,943	70,663,127	65,696,222
Pupil transportation	5,845,297	5,845,297	4,211,690	4,211,690
Community service	23,969	23,969	23,159	23,159
Debt service - interest	806,828	806,828	462,585	462,585
School lunch program	695,286	(944,109)	646,425	(870,147)
	$ 93,486,412	89,491,682	87,170,449	80,686,972

Net Cost of Services 2023-2024



Net Cost of Services 2022-2023



Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Food Service Fund, Capital Projects Fund, Debt Service Fund and Miscellaneous Fund. The fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2024			
	Nonspendable	Restricted	Assigned	Unassigned
General	$ 953,202	9,699,422	3,805,061	3,610,431
Special Aid	-	-	-	-
School Food Service	38,502	-	248,771	-
Capital Projects	-	570,913	-	-
Debt Service	-	101,862	-	-
Miscellaneous	-	319,941	-	-
	$ 991,704	10,692,138	4,053,832	3,610,431

	June 30, 2023			
	Nonspendable	Restricted	Assigned	Unassigned
General	$ 905,377	7,742,123	3,768,287	3,489,707
Special Aid	-	-	-	-
School Food Service	22,655	-	302,664	-
Capital Projects	-	4,962,149	-	-
Debt Service	-	-	-	-
Miscellaneous	-	350,028	-	-
	$ 928,032	13,054,300	4,070,951	3,489,707

General Fund Budgetary Highlights

The original budget for the general fund was revised to $88,537,296 for the year ended June 30, 2024. During the year, the District revised the budget by $1,294,609. The revisions were mainly a result of additional appropriations needed for instructional and transportation costs, of which $1,273,995 were encumbered in the prior year.

In the general fund for the year ended June 30, 2024, actual revenues were greater than final budgeted revenues by $474,055 (0.56%). Actual expenditures and encumbrances were less than final budgeted expenditures by $4,482,395 (5.06%). Significant factors contributing to expenditures being less than the final budget were lower than anticipated expenses in salaries, employee benefits and programs for children with handicapping conditions. For fiscal year 2024-2025, the District has appropriated $2,824,894 of fund balance to offset a portion of the increase in appropriations. The general fund budget for the 2024-2025 school year was approved by the voters in the amount of $90,260,773. This is an increase of 1.95% over the previous year's final budget.

Factors that continue to affect the budget process are as follows:

- Increasing contractual costs (transportation, BOCES, related services, etc.).
- Aging facilities and infrastructure that will need significant repairs and/or renovation in the near future.
- Property Tax Cap Legislation
- Retirement contributions
- Health insurance costs

Management believes that the budget adopted for 2024-2025 is reasonably adaptable to any adverse changes that may arise based on the above factors.

Other Fund Highlights

The Special Aid Fund ended the year with no fund balance.

The School Lunch Fund ended the year with a fund balance of $287,273. Expenditures exceeded revenue by $38,046, mainly due to the purchasing of various pieces of equipment during the year.

The Capital Projects Fund ended the year with a fund balance of $570,913. Schedule 6 has more information on capital projects.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2024, was $43,877,590. The increase in net capital assets was 8.6% for the District (see schedule below). The District's investment in capital assets, net of accumulated depreciation as of June 30, 2023, was $40,397,353.

Capital Assets
Net of Accumulated Depreciation

	2024	2023	% Change
Non-depreciable assets:			
Land	$ 1,776,500	1,776,500	0.0%
Construction in progress	7,304,368	2,532,749	188.4%
Depreciable assets:			
Land improvements	101,798	144,212	(29.4%)
Building and improvements	34,071,864	35,337,563	(3.3%)
Furniture and equipment	623,060	606,329	2.8%
Totals	$ 43,877,590	40,397,353	8.6%

Long-Term Debt

At the end of the year, the District had total long-term debt principal outstanding of $16,806,776. This amount is backed by the full faith and credit of the District. Activity in debt outstanding during the year was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Serial bonds dated 08/11/22	$ 16,670,000	-	2,050,000	14,620,000
Installment purchase debt	2,501,924	-	315,148	2,186,776
Total long-term debt	$ 19,171,924	-	2,365,148	16,806,776

Long-term debt also includes an unamortized bond premium of $1,484,543 related to the serial bonds dated August 11, 2022. This premium is being amortized over the life of the bond, which matures in October 2029. The District was affirmed a Moody's rating of Aa3 during the year ended June 30, 2024.

Factors Bearing on the District's Future

The general fund budget for the 2024-2025 school year was approved by the voters in the amount of $90,260,773. This is an increase of 1.95% over the previous year's final budget. The District did not increase the tax levy from the prior year.

The 2024-2025 budget is impacted by certain trends impacting school districts. These include increases in retirement contributions and health insurance costs.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Harvey Sotland, Assistant Superintendent for Business, at the District's business offices at 24 Idlewild Avenue, Cornwall-on-Hudson, New York, 12520.

CORNWALL CENTRAL SCHOOL DISTRICT
Statement of Net Position - Governmental Activities
June 30, 2024

Assets:	
Cash and equivalents:	
Unrestricted	$ 11,029,926
Restricted	23,277,463
Investments	49,005
Receivables:	
State and federal aid	2,732,320
Accounts receivable	182,783
Inventories	32,430
Prepaid expenses	959,274
Non-depreciable capital assets	9,080,868
Capital assets, net	34,796,722
Total assets	82,140,791
Deferred outflows of resources:	
Loss on refunding	246,874
Pensions	16,343,784
OPEB	16,682,100
Total deferred outflows of resources	33,272,758
Liabilities:	
Payables:	
Accounts payable	2,469,685
Accrued liabilities	56,084
Bond interest payable	160,726
Due to other governments	252
Due to teachers' retirement system	3,817,290
Due to employees' retirement system	227,214
Long-term liabilities:	
Due and payable within one year:	
Bond anticipation notes payable	12,000,000
Compensated absences	161,190
Bonds payable	2,140,000
Premium on bonds payable	326,037
Installment purchase debt	331,072
Due and payable after one year:	
Compensated absences	1,222,653
Bonds payable	12,480,000
Premium on bonds payable	1,158,506
Installment purchase debt	1,855,704
Total OPEB liability	125,367,894
Net pension liability - proportionate share - ERS System	2,391,174
Net pension liability - proportionate share - TRS System	2,105,001
Total liabilities	168,270,482
Deferred inflows of resources:	
Unearned revenue	183,381
Pensions	2,608,171
OPEB	27,829,795
Total deferred inflows of resources	30,621,347
Net position:	
Net investment in capital assets	13,833,145
Restricted	10,692,138
Unrestricted (deficit)	(108,003,563)
Total net position (deficit)	$ (83,478,280)

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Statement of Activities - Governmental Activities
Year ended June 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
Functions and programs:				
General support	$ 12,562,754	-	-	(12,562,754)
Instructional	73,552,278	191,307	2,164,028	(71,196,943)
Pupil transportation	5,845,297	-	-	(5,845,297)
Community services	23,969	-	-	(23,969)
Debt service - interest	806,828	-	-	(806,828)
School lunch program	695,286	995,485	643,910	944,109
Total functions and programs	$ 93,486,412	1,186,792	2,807,938	(89,491,682)
General revenue:				
Real property taxes				49,383,667
Other tax items - including STAR reimbursement				2,367,440
Use of money and property				1,855,056
Sale of property and compensation for loss				203
State sources				31,128,239
Federal sources				209,966
Miscellaneous				915,779
Total general revenue				85,860,350
Change in net position				(3,631,332)
Net position (deficit) at beginning of year				(79,846,948)
Net position (deficit) at end of year				$ (83,478,280)

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2024

Assets	General	Special Aid	School Food Service	Capital Projects	Debt Service	Miscellaneous	Total Governmental Funds
Cash and equivalents:							
Unrestricted	$ 9,290,696	1,278,529	460,701	-	-	-	11,029,926
Restricted	7,788,996	-	-	15,070,841	101,862	315,764	23,277,463
Investments	-	-	-	-	-	49,005	49,005
Receivables:					-		
State and federal aid	1,304,169	1,347,527	36,107	44,517	-	-	2,732,320
Due from other funds	6,484,039	471,380	18,453	960,525	-	-	7,934,397
Accounts receivable	162,439	-	11,826	-	-	8,518	182,783
Inventories	-	-	32,430	-	-	-	32,430
Prepaid expenditures	953,202	-	6,072	-	-	-	959,274
Total assets	$ 25,983,541	3,097,436	565,589	16,075,883	101,862	373,287	46,197,598
Liabilities, Deferred Inflows of Resources and Fund Balance							
Liabilities:							
Accounts payable	2,212,793	-	12,204	204,970	-	39,718	2,469,685
Accrued liabilities	46,580	-	9,504	-	-	-	56,084
Due to other governments	-	-	252	-	-	-	252
Due to other funds	1,450,358	3,096,354	84,685	3,300,000	-	3,000	7,934,397
Due to teachers' retirement system	3,817,290	-	-	-	-	-	3,817,290
Due to employees' retirement system	227,214	-	-	-	-	-	227,214
Bond anticipation notes payable	-	-	-	12,000,000	-	-	12,000,000
Compensated absences	161,190	-	-	-	-	-	161,190
Total liabilities	7,915,425	3,096,354	106,645	15,504,970	-	42,718	26,666,112
Deferred inflows of resources - unearned revenue	-	1,082	171,671	-	-	10,628	183,381
Fund balance:							
Nonspendable	953,202	-	38,502	-	-	-	991,704
Restricted	9,699,422	-	-	570,913	101,862	319,941	10,692,138
Assigned	3,805,061	-	248,771	-	-	-	4,053,832
Unassigned	3,610,431	-	-	-	-	-	3,610,431
Total fund balance	18,068,116	-	287,273	570,913	101,862	319,941	19,348,105
Total liabilities, deferred inflows of resources and fund balance	$ 25,983,541	3,097,436	565,589	16,075,883	101,862	373,287	46,197,598

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Reconciliation of Balance Sheet -
Governmental Funds to the Statement of Net Position
Year ended June 30, 2024

Total governmental fund balance		$ 19,348,105
Amounts reported for governmental activities in the statement of net position are different because:		
The costs of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the statement of net position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Non-depreciable capital assets	$ 9,080,868	
Capital assets, net	34,796,722	43,877,590
Long-term liabilities are reported in the statement of net position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end consist of:		
Bonds payable	(14,620,000)	
Unamortized bond premiums	(1,484,543)	
Installment purchase debt	(2,186,776)	
Accrued interest on bonds payable	(160,726)	
Total OPEB liability	(125,367,894)	
Compensated absences	(1,222,653)	(145,042,592)
Some deferred inflows and outflows are not reported in the funds. These consist of the following:		
Deferred outflows of resources - refunding	246,874	
Deferred outflows of resources - pensions	16,343,784	
Deferred outflows of resources - OPEB	16,682,100	
Deferred inflows of resources - pensions	(2,608,171)	
Deferred inflows of resources - OPEB	(27,829,795)	2,834,792
The proportionate share of net pension asset and liability reported in the statement of net position does not provide for or require the use of current financial resources and therefore are not reported as an asset and liability in the governmental funds.		
Teachers' retirement system liability	(2,105,001)	
Employees' retirement system liability	(2,391,174)	(4,496,175)
Total net position		$ (83,478,280)

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds

Year ended June 30, 2024

	General	Special Aid	School Food Service	Capital Projects	Debt Service	Miscellaneous	Total Governmental Funds
Revenue:							
Real property taxes	$49,383,667	-	-	-	-	-	49,383,667
Other tax items - including STAR reimbursement	2,367,440	-	-	-	-	-	2,367,440
Charges for services	191,307	-	-	-	-	-	191,307
Use of money and property	1,562,530	-	45,505	246,553	102	366	1,855,056
Sale of property and compensation for loss	203	-	-	-	-	-	203
Miscellaneous	394,004	-	-	-	101,760	420,015	915,779
State sources	31,128,239	580,189	20,770	-	-	-	31,729,198
Federal sources	209,966	1,583,839	623,140	-	-	-	2,416,945
Sales - food services	-	-	995,485	-	-	-	995,485
Total revenue	85,237,356	2,164,028	1,684,900	246,553	101,862	420,381	89,855,080
Expenditures:							
General support	9,114,456	-	896,675	-	-	-	10,011,131
Instructional	45,079,398	2,451,916	-	-	-	450,468	47,981,782
Pupil transportation	5,619,083	173,997	-	-	-	-	5,793,080
Community services	23,969	-	-	-	-	-	23,969
Employee benefits	18,410,545	-	201,636	-	-	-	18,612,181
Debt service - principal	2,365,148	-	-	-	-	-	2,365,148
Debt service - interest	1,021,272	-	-	-	-	-	1,021,272
Cost of sales	-	-	643,088	-	-	-	643,088
Capital outlay	-	-	-	5,598,314	-	-	5,598,314
Total expenditures	81,633,871	2,625,913	1,741,399	5,598,314	-	450,468	92,049,965
Excess (deficiency) of revenue over expenditures	3,603,485	(461,885)	(56,499)	(5,351,761)	101,862	(30,087)	(2,194,885)
Other financing sources and (uses):							
Operating transfers in	-	461,885	18,453	960,525	-	-	1,440,863
Operating transfers (out)	(1,440,863)	-	-	-	-	-	(1,440,863)
Total other financing sources (uses)	(1,440,863)	461,885	18,453	960,525	-	-	-
Net change in fund balance	2,162,622	-	(38,046)	(4,391,236)	101,862	(30,087)	(2,194,885)
Fund balance at beginning of year	15,905,494	-	325,319	4,962,149	-	350,028	21,542,990
Fund balance at end of year	$18,068,116	-	287,273	570,913	101,862	319,941	19,348,105

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Reconciliation of Statement of Revenue, Expenditures and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
Year ended June 30, 2024

Net change in fund balance		$ (2,194,885)
Amounts reported for governmental activities in the statement of activities are different because:		
Long-term revenue and expense differences - In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Changes in:		
Compensated absences		(85,531)
Total OPEB liability		(5,248,181)
Long-term debt transactions:		
Repayment of bond principal and energy performance debt principal is an expenditure in the governmental funds, less the library portion, but reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		
Principal paid on bonds		2,050,000
Premiums received on issuance of new debt		(1,725,280)
Deferred loss on issuance of new debt		244,854
Principal paid on installment purchase debt		315,148
Amortization on bond premium		1,966,017
Amortization on deferred loss on refunding		(284,888)
Interest on long-term debt in the statement of activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2023 to June 30, 2024 changed by.		13,741
Capital related items:		
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense as summarized below:		
Capital outlay	$ 5,220,176	
Depreciation expense	(1,739,939)	3,480,237
Changes in proportionate share of net pension liability reported in the statement of activities does not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Employees' retirement system	1,101,704	
Teachers' retirement system	1,345,716	2,447,420
Some items reported as expenditures in governmental funds are required to be deferred in the statement of net position. In the current period those amounts changed by:		
Deferred outflows of resources - pensions	(4,630,022)	
Deferred outflows of resources - OPEB	(3,680,147)	
Deferred inflows of resources - pensions	(744,590)	
Deferred inflows of resources - OPEB	4,444,775	(4,609,984)
Changes in net position of governmental activities		$ (3,631,332)

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2024

	Custodial Funds
Additions - real property taxes	$ 1,427,933
Deductions - payments to library	1,427,933
Net position at beginning of year	-
Net position at end of year	$ -

See accompanying notes to financial statements.

(1) Summary of Certain Significant Accounting Policies

The financial statements of Cornwall Central School District (the District) have been prepared in accordance 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. Significant accounting principles and policies utilized by the District are described below:

(a) Reporting Entity

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

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

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

(i) Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The District exercises general oversight of these funds with student management of the financial transactions. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be obtained at the District's business office. The District accounts for assets held as an agent for various student organizations in the miscellaneous fund.

(b) Joint Venture

The District is a component district in the Orange/Ulster County Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

(1) Summary of Certain Significant Accounting Policies, Continued

(b) Joint Venture, Continued

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

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

During the year, the District was billed $6,446,190 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,770,511.

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

Orange/Ulster Board of Cooperative Educational Services
53 Gibson Road
Goshen, New York 10924

(c) Basis of Presentation

(i) District-Wide Statements

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

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

(1) Summary of Certain Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

(ii) Fund Financial Statements

The fund statements provide information about the 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 District reports the following major governmental funds:

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

Special Revenue Funds - these funds account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are three classes of special revenue funds:

Special Aid Fund - is used to account for and report the proceeds of federal and state grants that are legally restricted to expenditures for specified purposes.

School Lunch Fund - is used to account for and report the activities of the school lunch operations.

Miscellaneous Fund - is used to account for the extraclassroom activity funds, scholarships and various deposits in which the district has administrative control over.

Debt Service Fund - is used to account for the advance refunding of a portion of the District's outstanding serial bonds.

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

Fiduciary Funds - are used to account for activities in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide financial statements, because their resources do not belong to the District, and are not available to be used. There is one class included as a fiduciary fund.

Custodial Funds - is used to collect and remit taxes to the Public Library.

(1) Summary of Certain Significant Accounting Policies, Continued

(d) Measurement Focus and Basis of Accounting

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are 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, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

(e) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected by the District beginning September 1. Uncollected real property taxes are transmitted to Orange County for enforcement. Uncollected taxes are paid by the County to the District no later than the forthcoming April 1.

(f) Restricted Resources

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

(g) Interfund Transactions

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

(1) Summary of Certain Significant Accounting Policies, Continued

(g) Interfund Transactions, Continued

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

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

Refer to note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenue activity.

(h) Estimates

The preparation of financial statements in accordance 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 date 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, other postemployment benefits, workers' compensation claims liability, pension systems transactions, potential contingent liabilities and useful lives of long-lived assets.

(i) Cash and Equivalents

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

(j) Accounts Receivable

Accounts receivable are reported 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.

(1) Summary of Certain Significant Accounting Policies, Continued

(k) Inventories and Prepaid Items

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

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

(l) Capital Assets

Capital assets are reported in the District-Wide financial statements at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that does not add to the value of the assets or materially extend their lives is not capitalized. Major outlays for capital assets and improvements are capitalized as construction in progress until the projects are completed.

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

	Depreciation Threshold	Estimated Method	Useful Life
Land	$ -	N/A	N/A
Land improvements	5,000	Straight-line	5 - 20
Buildings and improvements	5,000	Straight-line	15 - 50
Furniture and equipment	5,000	Straight-line	5 - 20

(m) Deferred Outflows of Resources and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is the deferred loss the District incurred on its debt refunding transaction. The second item is related to pensions reported in the statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Additionally, this item includes District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item is related to OPEB reported on the statement of net position. The amount represents differences between expected and actual experience and the changes of assumptions.

(1) Summary of Certain Significant Accounting Policies, Continued

(m) Deferred Outflows of Resources and Inflows of Resources, Continued

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first instance relates to cash received before the related revenue is earned and is reported as unearned revenue. The second item is related to pensions reported in the statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The third item is related to OPEB reported in the statement of net position. The amount represents changes of assumptions.

(n) Compensated Absences

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

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

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

Consistent with GASB Statement No. 101 - "Compensated Absences," the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

(o) Other Benefits

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

The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the fund financial statements.

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

(1) Summary of Certain Significant Accounting Policies, Continued

(p) Short-Term Debt

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

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

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

(q) Accrued Liabilities and Long-Term Obligations

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

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

(r) Equity Classifications

District-Wide Statements

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

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

Restricted net position - reports net position when constraints placed on the assets 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 is deemed to be available for general use by the District.

(1) Summary of Certain Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Fund Statements

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

(1) Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the prepaid items in the General Fund of $953,202 and prepaid items and inventories in the School Lunch Fund of $38,502.

(2) Restricted - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has classified the following reserves as restricted:

Employees' Retirement System Liability

Reserve for employees' retirement system liability (GML§6-r) must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the general fund.

Teachers' Retirement System Liability

Reserve for teachers' retirement system liability (GML§6-r) must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the general fund.

Tax Certiorari

According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari proceedings and may be expended from the fund 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. The reserve is accounted for in the general fund.

Capital

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. 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 and the capital projects fund.

(1) Summary of Certain Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Fund Statements, Continued

(2) Restricted, Continued

Employee Benefit Accrued Liability

According to GML§6-p, must be used to pay the cost of accrued employee benefits due to employees at termination. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The reserve is accounted for in the general fund.

Debt Service

Mandatory reserve for debt service (GML §6-1) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvements that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the debt service fund.

Unemployment Insurance Payment

According to GML §6-m, must be used to pay benefits to claimants and charged to the account of the District in accordance with Labor Law Section 581(1)(e). The reserve is accounted for in the general fund.

The District has classified the following reserves as restricted:

General Fund:	
Employees' retirement system liability	$ 1,250,977
Teachers' retirement system liability	2,057,788
Tax certiorari	886,715
Capital reserve	4,924,554
Employee benefit accrued liability	563,175
Unemployment insurance reserve	16,213
Total General Fund	9,699,422
Capital Fund	570,913
Debt Service Fund	101,862
Miscellaneous Fund	319,941
Total restricted fund balance	$ 10,692,138

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

(1) Summary of Certain Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Fund Statements, Continued

(4) Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to District management through Board policies. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund. The District has classified the following as assigned:

General Fund:	
Appropriated fund balance	$ 2,824,894
Encumbrances	980,167
Total General Fund	3,805,061
School Food Service Fund	248,771
Total assigned fund balance	$ 4,053,832

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

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

Order of Use of Fund Balance - The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned.

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements

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

(a) Total Fund Balance 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. The difference primarily results from additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

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

Differences between the governmental funds' statement of revenue, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown below represent:

(i) Long-term revenue and expense differences

Long-term revenue differences arise because governmental funds report revenue only when they are 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.

(ii) Capital related differences

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

(iii) Long-term debt transaction differences

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

(iv) Pension plan transaction differences

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

(v) Other postemployment benefit (OPEB) related differences

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

(3) Stewardship, Compliance and Accountability

(a) Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted - General Fund.

The voters of the District approved the proposed appropriation budget for the General Fund. Appropriations are adopted at the program line item level.

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

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

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

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

(b) Encumbrances

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

(4) Cash and Equivalents

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

Deposits at year-end were entirely covered by FDIC or collateralized with securities held by the pledging financial institution in the District's name.

(5) Investments

Investments in equity securities with readily determinable fair values are reported at fair value in the miscellaneous fund (primarily donated scholarship funds). Equity securities are exposed to various risks such as interest rate, market and credit risks. Unrealized gains and losses are included in the statement of revenue, expenditures and changes in fund balances. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the miscellaneous fund.

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(5) Investments, Continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2024.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The District assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. The District's investments are classified as level 1.

Investments at June 30, 2024 consist of the following:

Investment	Fund	Carrying Amount	Type of Investment
Fidelity Balance Fund	Miscellaneous	$ 22,064	Mutual Fund
Columbia Bond Fund-A	Miscellaneous	26,941	Mutual Fund
Total		$ 49,005	

(6) Capital Assets

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

	Beginning Balance	Additions	Retirement/ Reclassifications	Ending Balance
Capital assets that are not depreciated:				
Land	$ 1,776,500	-	-	1,776,500
Construction in progress	2,532,749	5,033,619	(262,000)	7,304,368
Total nondepreciable assets	4,309,249	5,033,619	(262,000)	9,080,868
Capital assets that are depreciated:				
Land improvements	1,371,571	-	-	1,371,571
Buildings and improvements	66,743,243	-	262,000	67,005,243
Furniture and equipment	2,377,420	186,557	-	2,563,977
Total depreciable assets	70,492,234	186,557	262,000	70,940,791

(6) Capital Assets, Continued

	Beginning Balance	Additions	Retirement/ Reclassifications	Ending Balance
Less accumulated depreciation	$(34,404,130)	(1,739,939)	-	(36,144,069)
Capital assets, net	$ 40,397,353	3,480,237	-	43,877,590

Depreciation expense was charged to governmental functions as follows:

General support	$ 260,991
Instructional	1,426,750
School lunch program	52,198
Total depreciation	$ 1,739,939

(7) Short-Term Debt

Transactions in short-term debt for the year ended June 30, 2024 are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/20/2024	4.50%	$ -	3,300,000	3,300,000	-
BAN	6/18/2025	4.50%	-	12,000,000	-	12,000,000
			$ -	15,300,000	3,300,000	12,000,000

(8) Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2024 are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Long-term liabilities:					
Bonds payable	$ 16,670,000	-	(2,050,000)	14,620,000	2,140,000
Bond premiums	1,725,280	-	(240,737)	1,484,543	326,037
Installment purchase debt	2,501,924	-	(315,148)	2,186,776	331,072
Compensated absences	1,244,407	139,436	-	1,383,843	161,190
Total OPEB liability	120,119,713	5,248,181	-	125,367,894	-
Net pension liability (asset) proportionate share - TRS	3,450,717	-	(1,345,716)	2,105,001	-
Net pension liability (asset) proportionate share - ERS	3,492,878	-	(1,101,704)	2,391,174	-
Total long-term liabilities	$ 149,204,919	5,387,617	(5,053,305)	149,539,231	2,958,299

The general fund has typically been used to liquidate long-term liabilities such as compensated absences.

(8) Long-Term Liabilities, Continued

During the year ended June 30, 2023, the District was the issuer of $16,675,000 in General Obligations Bonds, plus a premium of $2,019,563. Proceeds of the bond was used for the advanced refunding of the high school refunding bond from 2012. As a result, the bonds are considered defeased, and the liability for these bonds have been removed from the financial statements. The accounting loss on this refunding of $244,854 will be recognized over the term of the new debt. The balance of the defeased debt was $15,935,000.

The District issues general obligation bonds to provide funds for construction renovation and improvement of capital facilities. The following is a summary of outstanding bonds and installment purchase obligations as of June 30, 2024:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
School district refunding	08/11/22	10/15/29	3.00% - 5.00%	$ 14,620,000
Energy performance note	04/30/15	05/01/30	5.01%	2,186,776
				$ 16,806,776

Upon default of the payment of principal or interest on the serial bonds of the District, the bondholders have the right to litigate and the New York State Comptroller is required under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance to the District, and to apply the amount so withheld to the payment of defaulted principal and interest with respect to the serial bonds.

The following is a summary of maturing debt service requirements:

Year ending June 30,	Principal	Interest
2025	$ 2,471,072	779,524
2026	2,593,045	652,926
2027	2,735,888	519,708
2028	2,879,645	379,325
2029	3,029,365	231,606
2030	3,097,761	76,775
Total	$ 16,806,776	2,639,864

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

Interest paid	$ 1,021,272
Less interest accrued in the prior year	(174,467)
Less amortization of bond premiums	(240,737)
Plus interest accrued in the current year	160,726
Plus amortization of deferred amounts on refunding	40,034
Total interest expense	$ 806,828

(9) State and Federal Aid Receivable

State and federal aid receivable at June 30, 2024 consists of the following:

General Fund:	
Excess cost aid	$ 507,439
BOCES aid	796,730
	1,304,169
Special Aid Fund:	
State aid	452,901
Federal aid	894,626
	1,347,527
School Food Service Fund:	
State aid	1,586
Federal aid	34,521
	36,107
Capital Projects Fund - state aid	44,517
Total	$ 2,732,320

(10) Pension Plans

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS 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. TRS is governed by a 10 member Board of Trustees. 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 TRS, 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 TRS, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on TRS's website at www.nystrs.org.

(10) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System (ERS)

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

The systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annual certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

At June 30, 2024, the District reported the following liability for its proportionate share of the net pension liability for each of TRS and ERS. The net pension liabilities were measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to TRS and ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the District.

(10) Pension Plans, Continued

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

	ERS	TRS
Actuarial valuation date	April 1, 2023	June 30, 2022
Measurement date	March 31, 2024	June 30, 2023
Net pension liability	$ 2,391,174	2,105,001
District's proportion of the Plan's net pension liability	0.0162399%	0.184070%
Change in proportionate share	0.000048	(0.004241)

For the year ended June 30, 2024, the District's recognized pension expense of $1,166,731 for ERS and $5,915,728 for TRS in the statement of activities. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 770,195	5,104,068	65,201	12,614
Changes of assumptions	904,049	4,532,005	-	987,726
Net difference between projected and actual investment earnings on pension plan investments	-	1,076,035	1,168,076	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	258,626	88,929	21,318	353,236
District's contributions subsequent to the measurement date	227,214	3,382,663	-	-
Total	$ 2,160,084	14,183,700	1,254,595	1,353,576

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

(10) Pension Plans, Continued

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

Year ending		ERS	TRS
2025	$	(330,234)	824,522
2026		522,294	(1,126,194)
2027		724,529	8,396,626
2028		(238,314)	593,485
2029		-	468,715
Thereafter		-	290,307
	$	678,275	9,447,461

(c) Actuarial Assumptions

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

	ERS	TRS
Actuarial valuation date	April 1, 2023	June 30, 2022
Measurement date	March 31, 2024	June 30, 2023
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary scale	4.40%	1.95% - 5.18%
Cost of living adjustments	1.5% annually	1.3% annually
Inflation rate	2.90%	2.40%

For ERS, demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2022. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries Scale MP-2021. For TRS, annuitant and active mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

(10) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selections of Economic Assumptions for Measuring Pension Obligations and generally accepted accounting principles. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class, as well as historical investment data and plan performance. The long-term expected real rates of return are presented by asset allocation classification. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized as follows:

	ERS		TRS	
	Long-term expected real rate of of return*	Target allocation	Long-term expected real rate of return*	Target allocation
Asset class:				
Domestic equity	4.00%	32%	6.80%	33%
International equity	6.65%	15%	7.60%	15%
Real estate equity	4.60%	9%	6.30%	11%
Global equity	-	-	7.20%	4%
Domestic fixed income	-	-	2.20%	16%
Global bonds	-	-	1.60%	2%
High-yield bonds	-	-	4.40%	1%
Real estate debt	-	-	3.20%	6%
Private equity	7.25%	10%	10.10%	9%
Private debt	-	-	6.00%	2%
Real assets	5.79%	3%	-	-
Fixed income	1.50%	23%	-	-
Opportunistic/ARS portfolio	5.25%	3%	-	-
Credit	5.40%	4%	-	-
Cash	0.25%	1%	0.30%	1%
		100%		100%

* For ERS, the real rates of return are net of a long-term inflation assumption of 2.9%. For TRS, the real rates of return are net of pension plan investment expenses and long-term inflation expectations.

(10) Pension Plans, Continued

(d) Discount Rate

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

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

The following presents the District's proportionate share of the ERS and TRS net pension liabilities calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rates referred to above:

ERS	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	$ (7,518,096)	(2,391,174)	1,890,869

TRS	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$ (32,060,236)	(2,105,001)	23,088,647

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)	
	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension liability	$ (240,697)	(138,365)
Plan net position	225,973	137,221
Employers' net pension liability	$ (14,724)	(1,144)
Ratio of plan net position to the employers' total pension liability	93.88%	99.2%

(10) Pension Plans, Continued

(g) Contributions to the Pension Plans

ERS employer contributions are paid annually based on the system's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $227,214. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to ERS for the year ended June 30, 2024 were $801,304.

TRS employer and employee contributions for the year ended June 30, 2024 are paid to the system in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued employer retirement contributions to TRS as of June 30, 2024 amounted to $3,817,290 including employees' share. The accrued contributions have been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2024 were $3,382,663.

(11) Other Postemployment Benefits

(a) General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan (the District's OPEB plan), provides OPEB for eligible retired employees, their spouses and their dependent children. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided - The District's OPEB plan subsidizes the cost of healthcare eligible retired employees, their spouses and their dependent children. They are eligible for lifetime postretirement benefits if the employee has worked for the District for at least five years and is 55 years of age or older. The District reimburses the cost of Medicare Part B premiums to both retirees and covered spouses. Surviving spouses do not receive any reimbursement.

The District contributes 75% of the cost of health insurance for qualified retirees and 50% of the cost of their dependents. The method used for this calculation is 75% of single coverage and 50% of the difference between single and family coverage.

Upon the death of the retiree, surviving spouses will contribute 100% of the cost of the blended premium.

(11) Other Postemployment Benefits, Continued

(a) General Information about the OPEB Plan, Continued

Employees Covered by Benefit Terms - At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	354
Active employees	421
Total employees covered by benefit terms	775

(b) Total OPEB Liability

The District's total OPEB liability of $125,367,894 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

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

Salary Increases	4.00%
Discount Rate	3.65%
Healthcare Cost Trend Rates	Pre-65: 8.27% for 2022, decreasing to an ultimate rate of 4.50% for 2031 and later years
	Post-65: 8.85% for 2022, decreasing to an ultimate rate of 4.50% for 2031 and later years
Retirees' Share of Benefit Related Costs	Retirees pay 25% of the cost of single coverage and 50% of the difference between single and family coverage. Surviving spouse pay 100% of the cost of the blended premium.

The discount rate was based on a review of the yield derived from the Bond Buyer 20 General Obligation Index as of the measurement date.

Mortality rates were based on the PUB-2010 Headcount Weighted Mortality Table projected generationally with Scale MP-2021.

Balance at June 30, 2023	$ 120,119,713
Changes for the year:	
Service cost	5,662,992
Interest	4,408,213
Changes of assumptions	(2,268,576)
Differences between expected and actual experience	(18,565)
Benefit payments	(2,535,883)
Net changes	5,248,181
Balance at June 30, 2024	$ 125,367,894

(11) Other Postemployment Benefits, Continued

(b) Total OPEB Liability, Continued

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 148,288,878	125,367,894	107,133,446

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	$ 103,909,217	125,367,894	153,353,343

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

For the year ended June 30, 2024, the District recognized OPEB expense of $7,048,681. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 1,506,008	21,005
Changes of assumption or other inputs	12,610,964	27,808,790
District's contributions subsequent to the measurement date	2,565,128	-
Total	$ 16,682,100	27,829,795

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

(11) Other Postemployment Benefits, Continued

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

Year ending June 30,	Amount
2025	$ (3,022,524)
2026	(1,745,553)
2027	(923,132)
2028	(1,796,036)
2029	(3,570,307)
Thereafter	(2,655,271)
	$ (13,712,823)

(12) Interfund Transactions - Governmental Funds

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. Interfund receivables, payables and transfers of the District as of and for the year ended June 30, 2024 consisted of the following:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 6,484,039	1,450,358	-	1,440,863
Special Aid Fund	471,380	3,096,354	461,885	-
School Food Service Fund	18,453	84,685	18,453	-
Capital Projects Fund	960,525	3,300,000	960,525	-
Miscellaneous Funds	-	3,000	-	-
Totals	$ 7,934,397	7,934,397	1,440,863	1,440,863

The District typically transfers from the general fund to the capital projects fund, to finance capital construction projects. The District typically transfers from the general fund to the special aid fund to fund the District's 20% share of summer school handicap expenses required by state law.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

(13) Risk Management

(a) General

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

(13) Risk Management, Continued

(b) Consortiums

The District participates in Orange/Ulster School District Health Insurance Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 19 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool. The District has essentially transferred all related risk to the pool.

The District participates with 16 other school districts, Orange/Ulster BOCES and Ulster BOCES in the Orange/Ulster School District Workers Compensation Self-Insurance Plan, a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. Entities joining the plan must remain members for a minimum of five years; a member may withdraw from the plan after that time by providing 180 days written notice. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities.

The most recently issued report for workers' compensation is for June 30, 2023. As of June 30, 2023, the Plans' total liabilities for unpaid claims and claim adjustment expenses was $31,160,563. The total plan assets were $49,312,140. During the year ended June 30, 2024, the District's contribution to the Plan was $249,588. Based on the workers' compensation report, the District's portion is undeterminable and is considered immaterial.

(14) Commitments and Contingencies

(a) Grants

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

(b) Litigation

The District is involved in various claims and lawsuits arising from the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the District's financial statements.

(15) Subsequent Events

The District has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements.

(16) Accounting Standards Issued But Not Yet Implemented

The GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of the pronouncements is not known at this time.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
Revenue:				
Real property taxes	$ 49,335,667	49,335,667	49,383,667	48,000
Other tax items - including STAR reimbursement	2,372,165	2,372,165	2,367,440	(4,725)
Charges for services	115,149	115,149	191,307	76,158
Use of money and property	744,468	744,468	1,562,530	818,062
Sale of property and compensation for loss	-	-	203	203
Miscellaneous	150,000	170,614	394,004	223,390
State sources	31,995,238	31,995,238	31,128,239	(866,999)
Federal sources	30,000	30,000	209,966	179,966
Total revenue	$ 84,742,687	84,763,301	85,237,356	474,055
Appropriated fund balance	2,500,000	2,500,000		
Prior year encumbrances	-	1,273,995		
Total revenue, including prior year encumbrances	$ 87,242,687	88,537,296		

(Continued)

Schedule 1, Continued

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund, Continued

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Variance With Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of Education	$ 70,279	69,596	54,326	326	14,944
Central administration	389,101	390,909	388,878	-	2,031
Finance	722,912	728,841	718,559	4,000	6,282
Staff	521,384	549,465	511,093	142	38,230
Central services	6,982,740	7,346,061	6,192,139	645,429	508,493
Special items	1,302,099	1,305,097	1,249,461	-	55,636
Instructional:					
Instruction, administration	2,791,473	2,761,418	2,606,732	7,190	147,496
Teaching - regular school	23,444,613	23,367,627	22,561,349	176,571	629,707
Programs for children with handicapping conditions	12,128,485	12,098,328	10,818,970	50,335	1,229,023
Occupational education	1,285,914	1,487,626	1,487,626	-	-
Teaching - special schools	63,085	54,085	120	-	53,965
Instructional media	3,110,104	3,315,211	3,059,376	85,879	169,956
Pupil services	4,787,853	4,793,971	4,545,225	10,295	238,451
Pupil transportation	5,561,548	5,923,732	5,619,083	-	304,649
Community services	23,970	23,970	23,969	-	1
Employee benefits	19,053,683	19,326,915	18,410,545	-	916,370
Debt service - principal	2,365,344	2,365,344	2,365,148	-	196
Debt service - interest	1,174,227	1,156,274	1,021,272	-	135,002
Total expenditures	85,778,814	87,064,470	81,633,871	980,167	4,450,432
Other financing uses - operating transfers out	1,463,873	1,472,826	1,440,863	-	31,963
Total expenditures and other financing uses	$ 87,242,687	88,537,296	83,074,734	980,167	4,482,395
Net change in fund balance			2,162,622		
Fund balance at beginning of year			15,905,494		
Fund balance at end of year			$ 18,068,116		

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
Year ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 5,662,992	7,692,426	6,653,338	4,896,935	4,262,042	4,084,407	4,913,950
Interest	4,408,213	3,174,307	2,950,202	3,820,399	3,712,119	3,449,701	2,982,018
Changes of assumptions	(2,268,576)	(29,817,510)	4,932,094	14,936,413	6,315,917	(6,830,073)	(13,648,710)
Difference between expected and actual experience	(18,565)	898,621	71,546	1,374,128	(13,853)	478,132	-
Benefit payments	(2,535,883)	(2,177,154)	(2,184,299)	(2,078,225)	(1,898,116)	(1,704,492)	(1,677,865)
Net change in total OPEB liability	5,248,181	(20,229,310)	12,422,881	22,949,650	12,378,109	(522,325)	(7,430,607)
Total OPEB liability - beginning	120,119,713	140,349,023	127,926,142	104,976,492	92,598,383	93,120,708	100,551,315
Total OPEB liability - ending	$125,367,894	120,119,713	140,349,023	127,926,142	104,976,492	92,598,383	93,120,708
Covered payroll	$ 39,508,210	38,052,227	37,887,040	36,107,727	33,984,959	32,747,113	31,509,267
Total OPEB liability as a percentage of covered payroll	317.32%	315.67%	370.44%	354.29%	308.89%	282.77%	295.53%

Notes to schedule:

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

2024	2023	2022	2021	2020	2019	2018
3.65%	3.54%	2.16%	2.21%	3.51%	3.87%	3.58%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Asset/Liability
Year ended June 30, 2024

TRS System - Asset (Liability)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
The District's proportion of the net pension asset (liability)	0.184070%	0.179829%	0.179858%	0.177367%	0.173549%	0.176754%	0.178511%	0.176887%	0.176467%	0.171415%
The District's proportionate share of the net pension asset (liability)	$ (2,105,001)	(3,450,717)	31,167,589	(4,901,122)	4,508,807	3,196,186	1,356,865	(18,994,530)	18,329,335	19,094,561
The District's covered payroll	$34,658,432	34,016,598	31,867,135	30,552,592	28,968,101	28,791,306	28,288,191	27,295,393	26,507,792	25,320,663
The District's proportionate share of the net pension asset/liability as a percentage of covered payroll	6.07%	10.14%	97.80%	16.04%	15.56%	11.10%	4.80%	69.59%	69.15%	75.41%
Plan fiduciary net position as a percentage of the total pension asset/liability	99.17%	98.57%	113.20%	97.80%	102.17%	101.25%	100.66%	99.01%	110.46%	111.48%
ERS System - Asset (Liability)										
The District's proportion of the net pension asset (liability)	0.0162399%	0.0162883%	0.0168352%	0.0160399%	0.0150979%	0.0156549%	0.0158077%	0.0157634%	0.0160555%	0.0165433%
The District's proportionate share of the net pension asset (liability)	$ (2,391,174)	(3,492,878)	1,376,206	(15,972)	(3,998,012)	(1,109,197)	(510,185)	(1,481,161)	(2,576,951)	(558,873)
The District's covered payroll	$ 6,181,344	5,944,241	5,612,823	5,496,089	5,387,986	5,147,400	4,990,555	4,827,988	4,501,460	4,493,301
The District's proportionate share of the net pension asset/liability as a percentage of covered payroll	38.68%	58.76%	24.52%	0.29%	74.20%	21.55%	10.22%	30.68%	57.25%	12.44%
Plan fiduciary net position as a percentage of the total pension asset/liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Schedule 4

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of District's Pension Contributions
Year ended June 30, 2024

TRS System	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,382,663	3,500,308	3,122,979	2,911,662	3,076,412	2,821,548	3,315,376	3,619,369	4,646,816	4,114,608
Contribution in relation to the contractually required contribution	3,382,663	3,500,308	3,122,979	2,911,662	3,076,412	2,821,548	3,315,376	3,619,369	4,646,816	4,114,608
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 34,658,432	34,016,598	31,867,135	30,552,592	28,968,101	28,791,306	28,288,191	27,295,393	26,507,792	25,320,663
Contribution as a percentage of covered payroll	9.76%	10.29%	9.80%	9.53%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%

ERS System										
Contractually required contribution	$ 801,304	593,399	728,864	789,895	740,373	739,369	730,751	702,346	835,743	919,469
Contribution in relation to the contractually required contribution	801,304	593,399	728,864	789,895	740,373	739,369	730,751	702,346	835,743	919,469
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 6,181,344	5,944,241	5,612,823	5,496,089	5,387,986	5,147,400	4,990,555	4,827,988	4,501,460	4,493,301
Contribution as a percentage of covered payroll	12.96%	9.98%	12.99%	14.37%	13.74%	14.36%	14.64%	14.55%	18.57%	20.46%

OTHER SUPPLEMENTARY INFORMATION

CORNWALL CENTRAL SCHOOL DISTRICT

Other Supplementary Information

Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Law Limit - General Fund

Year ended June 30, 2024

Change from adopted budget to final budget:		
Original budget		$ 87,242,687
Add prior year's encumbrances		1,273,995
Add budget revisions		20,614
Final budget		$ 88,537,296
Section 1318 of Real Property Tax Law Limit Calculation		
2024-2025 expenditure budget		$ 90,260,773
Maximum allowed 4% of 2024-2025 budget		$ 3,610,431
General fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Encumbrances	$ 980,167	
Appropriated fund balance	2,824,894	
Unassigned fund balance	3,610,431	
Total unrestricted fund balance		7,415,492
Less:		
Encumbrances	980,167	
Appropriated fund balance	2,824,894	
Total adjustments		3,805,061
General fund fund balance subject to Section 1318 of Real Property Tax Law		$ 3,610,431
Actual percentage		4.00%

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," updated April 2011 (originally issued November 2010), the portion of [general fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

Schedule 6

CORNWALL CENTRAL SCHOOL DISTRICT
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
June 30, 2024

			Expenditures and Obligations to Date				Methods of Financing				Fund
Project Title	Original Appropriation	Revised Appropriation	Prior Year's	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Sources	Local Sources	Total	Balance 6/30/2024
Smart Schools Bond Act	$ 1,157,616	1,157,616	279,459	320,483	599,942	557,674	-	212,353	421,404	633,757	33,815
High School Coolinlg Tower Project	750,000	983,139	929,972	20,295	950,267	32,872	-	-	758,423	758,423	(191,844)
District-Wide Project, 21-22	22,994,338	22,994,338	1,270,197	4,518,298	5,788,495	17,205,843	-	-	5,246,553	5,246,553	(541,942)
District Office Project	262,000	262,000	72,081	189,919	262,000	-	-	-	262,000	262,000	-
Backflow Preventers	30,000	30,000	-	-	-	30,000	-	-	30,000	30,000	30,000
Middle School Air Conditioning Project	1,210,000	1,210,000	380,322	549,319	929,641	280,359	-	-	1,210,000	1,210,000	280,359
Classroom/Office/Corridor Door Replacement Project	600,000	600,000	-	-	-	600,000	-	-	600,000	600,000	600,000
School Buildings Security Vestibule Project	360,525	360,525	-	-	-	360,525	-	-	360,525	360,525	360,525
Total	$ 27,364,479	27,597,618	2,932,031	5,598,314	8,530,345	19,067,273	-	212,353	8,888,905	9,101,258	570,913

Schedule 7

CORNWALL CENTRAL SCHOOL DISTRICT
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2024

Capital assets, net		$ 43,877,590
Add deferred amount on refunding		246,874
Deduct:		
Bond anticipation note payable	$12,000,000	
Short-term portion of bonds payable	2,140,000	
Long-term portion of bonds payable	12,480,000	
Short-term portion of unamortized bond premium	326,037	
Long-term portion of unamortized bond premium	1,158,506	
Short-term portion of installment purchase debt	331,072	
Long-term portion of installment purchase debt	1,855,704	30,291,319
Net investment in capital assets		$ 13,833,145

CORNWALL CENTRAL SCHOOL DISTRICT

Federal Grant Compliance Audit

June 30, 2024

EFPR GROUP, CPAs PLLC

6390 Main Street, Suite 200
Williamsville, NY 14221

P 716.634.0700
TF 800.546.7556
F 716.634.0764
W EFPRgroup.com

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

The Board of Education
Cornwall Central School District
Cornwall, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cornwall Central School District (the District), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
September 23, 2024

EFPR GROUP, CPAs PLLC

6390 Main Street, Suite 200
Williamsville, NY 14221

P 716.634.0700
TF 800.546.7556
F 716.634.0764
W EFPRgroup.com

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

The Board of Education
Cornwall Central School District
Cornwall, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cornwall Central School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The 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 District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the District's 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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 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 District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 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 District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York
September 23, 2024

CORNWALL CENTRAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number	Agency or pass-through number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education				
Passed-through NYS Education Department:				
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0678	$ 651,694	-
Special Education - Grants to States (IDEA, Part B)	84.027	5532-22-0678	94,302	-
			745,996	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0678	22,393	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	5533-22-0678	10,386	-
			32,779	-
Total Special Education Cluster			778,775	-
Title I Grants to Local Educational Agencies	84.010	0021-23-2235	8,503	-
Title I Grants to Local Educational Agencies	84.010	0021-24-2235	173,578	-
			182,081	-
English Language Acquisition Grants	84.365	0293-23-2235	1,259	-
English Language Acquisition Grants	84.365	0293-24-2235	6,969	-
			8,228	-
Supporting Effective Instruction State Grants	84.367	0147-23-2235	9,163	-
Supporting Effective Instruction State Grants	84.367	0147-24-2235	33,354	-
			42,517	-
Student Support and Academic Enrichment Program	84.424	0204-23-2235	3,336	-
Student Support and Academic Enrichment Program	84.424	0204-24-2235	3,500	-
			6,836	-
Education Stabilization Fund:				
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5870-24-9065	332,211	-
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-2235	160,583	-
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5882-21-2235	55,368	-
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5883-21-2235	15,389	-
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5884-21-2235	1,851	-
			233,191	-
Total Education Stabilization Fund			565,402	-
Total U.S. Department of Education			1,583,839	-
U.S. Department of Agriculture				
Passed-through NYS Education Department - Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	63,187	-
National School Lunch Program	10.555	N/A	453,772	-
Commodity Supplemental Food Program	10.555	N/A	106,181	-
			559,953	-
Total U.S. Department of Agriculture			623,140	-
Total Expenditures of Federal Awards			$ 2,206,979	-

See accompanying notes to the schedule of expenditures of federal awards.

CORNWALL CENTRAL SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2024

(1) Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of the Uniform Guidance.

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

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in the schedule of expenditures of federal awards are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

(2) Subrecipients

No amounts were provided to subrecipients.

(3) Nonmonetary Federal Program

The District is the recipient of a federal award program (Assistance Listing No. 10.555) that does not result in cash receipts or disbursements termed a "nonmonetary program." During the year ended June 30, 2024, the District used $106,181 worth of food commodities as reported in the schedule of expenditures of federal awards.

(4) Indirect Costs

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The District does not use the 10% de minimis election.

CORNWALL CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	____Yes __x__No
2. Significant deficiency(ies) identified?	____Yes __x__None reported
3. Noncompliance material to financial statements noted?	____Yes __x__No

Federal Awards:

Internal control over major program:	
4. Material weakness(es) identified?	____Yes __x__No
5. Significant deficiency(ies) identified?	____Yes __x__None reported
Type of auditors' report issued on compliance for major program:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)(Uniform Guidance)?	____Yes __x__No

7. The District's major program audited was:

Name of Federal Program	Assistance Listing Number
Special Education Cluster	84.027/84.173

8. Dollar threshold used to distinguish between Type A and Type B programs.	$750,000
9. Auditee qualified as low-risk auditee?	__x__Yes ____No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings and questioned costs.

CORNWALL CENTRAL SCHOOL DISTRICT

Status of Prior Audit Findings

Year ended June 30, 2024

There were no audit findings in the prior year financial statements (June 30, 2023).

FORM OF BOND COUNSEL'S OPINION

June 17, 2025

Cornwall Central School District
Orange County
State of New York

Re: Cornwall Central School District, Orange County, New York
$17,944,338 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $17,944,338 Bond Anticipation Notes, 2025 (the "Obligation"), of the Cornwall Central School District, Orange County, New York (the "Obligor"), dated June 17, 2025, numbered 1, of the denomination of $17,944,338, bearing interest at the rate of ___% per annum, payable at maturity, and maturing June 17, 2026

We have examined:

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

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

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

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

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

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

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

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

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP