PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing status and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

The Notes will NOT be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

$14,000,000

DUNDEE CENTRAL SCHOOL DISTRICT

YATES AND SCHUYLER COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$14,000,000 Bond Anticipation Notes, 2026

(referred to herein as the "Notes")

Dated: September 10, 2026 **Due: July 15, 2027**

The Notes are general obligations of the Dundee Central School District, Yates and Schuyler Counties, 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 THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

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.

At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz Law Offices, LLP, Bond Counsel, Syracuse, 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 by the purchaser(s), on or about September 10, 2026.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on August 27, 2026 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or 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.

August 19, 2026

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

DUNDEE CENTRAL SCHOOL DISTRICT
YATES AND SCHUYLER COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2026-2027 BOARD OF EDUCATION

ROBERT NEU
President

BRITTANY GIBSON
Vice President

BRAD COLE
JOHN FREDERICK
KRISTEN VANVALKENBURG
JARED WEBSTER
CASEY BUSCH

*   *   *   *   *   *   *   *   *

CHRISTOPHER WOOD
Superintendent of Schools

LISA KUHNEL
School Business Administrator

JILLIAN DENMARK
District Clerk

PHYLLIS MOORE
School District Treasurer

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

TRESPASZ LAW OFFICES, LLP
Bond Counsel

No person has been authorized by Dundee 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 South Jefferson Central School District.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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Syracuse, New York 13202
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OFFICIAL STATEMENT

of the

DUNDEE CENTRAL SCHOOL DISTRICT
YATES AND SCHUYLER COUNTIES, NEW YORK

Relating To

$14,000,000 Bond Anticipation Notes, 2026

This Official Statement, which includes the cover page and appendices, has been prepared by the Dundee Central School District, Yates and Schuyler Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $14,000,000 principal amount of Bond Anticipation Notes, 2026 (referred to herein as the “Notes”).

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

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

NATURE OF OBLIGATION

The Notes 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”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes are dated September 10, 2026 and mature, without option of prior redemption, on July 15, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on January 23, 2025 authorizing a capital improvement project consisting of safety and security upgrades, sitework improvements, auditorium and music classroom reconstruction, gymnasium improvements, technology and STEM reconstruction and building wide HVAC upgrades and improvements, replacement of playgrounds, sidewalks, stadium field lighting, track resurfacing, paving, site lighting and fencing, cafeteria and kitchen improvements (the "Project") at a cost not to exceed $28,000,000, and to expend $5,000,000 from the District's Capital Reserve Fund, and the issuance and sale of serial bonds or notes in the amount not to exceed $23,000,000.

The proceeds of the Notes will provide $14,000,000 in new money as the initial borrowing for the aforementioned project.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes under Certain Circumstances

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. Principal of and interest on the Notes will be payable at the option of the purchaser(s) at the office of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. Paying agent fees, if any, shall be the responsibility of the purchaser(s). A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount held by each owner at such interest rate. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District was established in 1939 and covers approximately 90 square miles in the Counties of Yates and Schuyler. The District is located in the heart of the Finger Lakes Region and is roughly 70 miles southeast of the City of Rochester and 70 miles southwest of the City of Syracuse. The District is comprised of portions of the Towns of Starkey, Reading, Milo, Tyrone and Barrington. The District is a rural community primarily composed of industrial and agricultural workers.

Major highways within and in close proximity to the District include State Routes 14A, 14, 230, 226, Interstate 86 and The New York State Thruway.

The State Police are located within the Village of Dundee; while the Yates County Sheriff's Department provides additional services. Three volunteer fire departments provide fire protection to the townships within the District.

New York State Electric and Gas provides natural gas and electricity to area residents. Phone and Cable service is provided by Frontier Communications and Spectrum

Educational opportunities within a 50 mile radius of the District include Ithaca College, Cornell University, Finger Lakes Community College, SUNY Cortland and SUNY Geneseo. Nearby Hospitals include the Finger Lakes Health Soldiers and Sailors Memorial Hospital in Penn Yan and Schuyler Hospital in Montour Falls.

Source: District officials.

District Population

The District has an estimated 2024 population of 6,486. (Source: U.S. Census Bureau, 2020-2024 American Community Survey data.)

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Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2020-2024	2006-2010	2016-2020	2020-2024
Towns of:						
Barrington	$ 15,416	$ 35,698	$ 46,992	$ 38,864	$ 79,659	103,333
Milo	16,819	25,829	36,373	38,547	71,026	74,602
Starkey	14,861	30,067	34,739	34,453	65,513	70,114
Reading	17,814	33,216	40,932	43,681	78,125	94,500
Tyrone	14,842	24,448	33,472	34,444	68,611	95,820
Counties of:						
Yates	16,781	28,001	37,848	40,681	70,455	83,369
Schuyler	17,039	28,844	38,429	41,441	69,650	85,907
State of:						
New York	23,389	40,898	50,712	51,691	87,270	106,873

Note: 2021-2025 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010 census, 2016-2020 and 2020-2024 American Community Survey data.

Larger Employers

The District represents the largest employer within its boundaries with approximately 177 employees. Tourism and agriculture related industries within the District make up a majority of the employers including wineries that provide employment to seasonal part-time and permanent workers. Small businesses also are prevalent, including construction, restaurants, and tourism related venues.

As many of the industries are seasonal and tourism dependent, an accurate list of the top employers along with the number of their employees is not currently feasible as these statistics are in constant fluctuation.

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 include the District) are the Counties of Yates and Schuyler. The information set forth below with respect to the Counties and State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the Counties or the State, are necessarily representative of the District, or vice versa.

Annual Averages

	2019	2020	2021	2022	2023	2024	2025
Yates County	3.7%	6.8%	4.1%	3.1%	3.1%	3.3%	3.4%
Schuyler County	4.4%	8.3%	5.0%	3.8%	3.9%	4.1%	4.3%
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%

2026 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Yates County	4.4%	4.7%	4.1%	3.5%	2.9%	3.0%	N/A	N/A
Schuyler County	5.9%	6.3%	5.6%	4.5%	3.9%	3.6%	N/A	N/A
New York State	4.7%	5.2%	4.4%	4.2%	4.2%	4.4%	N/A	N/A

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping three-year terms so that as nearly as possible an equal number are elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

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

Investment Policy

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) savings accounts or money market accounts of designated banks; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of New York State; and (5) obligations of the United States Government (U.S. Treasury Bills and Notes).

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote.

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

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

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2025-26 fiscal year was adopted by qualified voters on May 20, 2025. The District's adopted budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.76%, which was within to the District tax levy limit of 4.40%.

The budget for the 2026-27 fiscal year was adopted by qualified voters on May 19, 2026. The District's adopted budget for the 2026-27 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.7%, which was within to the District tax levy limit of 3.7%.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2026-27 fiscal year, approximately 60.81% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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. The State's Enacted Budgets were adopted after the April 1 deadline in the State's fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late), 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late) and 2026-27 (adopted on May 27, 2026, fifty-six (56) days late). The State's Enacted Budgets were adopted by April 1 or shortly thereafter in the State's fiscal years 2016-17 through 2022-23, inclusive. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

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

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 (the "Education 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 Education 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.

In furtherance of the Education Executive Order, on June 16, 2026, the U.S. Department of Education announced four new interagency agreements that shift the management and administration of federal special education programs to the Department of Health and Human Services ("HHS"). Key elements of the change include:

- **Oversight Shift**: Day-to-day management and grant administration for the Office of Special Education and Rehabilitative Services and the Office of Special Education Programs are being transferred to HHS.
- **Statutory Responsibility**: Legally, the statutory authority for the Individuals with Disabilities Education Act remains with the Department of Education, but its actual execution is outsourced.
- **DOJ Integration**: Civil rights and student privacy enforcement are simultaneously being moved to the Department of Justice.

While the interagency agreements are immediately, Senior Administration officials have publicly noted that operational details, staff relocations, and specific execution timelines are still actively being sorted out.

The full impact that the Education 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 2026-27 building aid ratios, the District expects to receive State building aid of approximately 81.7% 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 (2021-2022): The State's 2021-22 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

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

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

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year. This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured 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 authorized 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 Enacted Budget included approximately $37.6 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 provided 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. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts were guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

Provisions in the State's 2025-26 Enacted Budget granted the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provided that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. No "general fund imbalance" occurred during the State's 2025-26 fiscal year.

The State's 2026-27 Enacted Budget was signed into law on May 27, 2026 – fifty-six (56) days after the April 1 start of the fiscal year. The FY 2026-27 Education, Labor and Family Assistance (ELFA) legislation contains several significant provisions affecting New York public school districts. The major school district–related items include:

- **Foundation Aid increase:** The Enacted Budget provides an approximately $779 million increase in Foundation Aid, bringing total Foundation Aid to about $27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase:** Total School Aid for the 2026-27 school year is projected at approximately $39.3 billion, an increase of roughly $1.6 billion over the prior year.
- **Universal Pre-K expansion:** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded:** The Enacted Budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly $282 million statewide.

- **Building Aid for renewable energy projects:** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project's "primary cost allowance" for Building Aid purposes.
- **Zero emission bus mandate:** The Enacted Budget also extended the zero-emission bus mandate by five years, allowing districts until July 1, 2032, to purchase only zero-emission buses and until July 1, 2040, to operate and maintain only zero-emission buses.

Foundation Aid formula adjustments. The budget continues recent efforts to modernize the Foundation Aid formula by relying more heavily on updated poverty and economic-need data instead of older census metrics and free-and-reduced lunch statistics.

State Aid Litigation

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

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

A case related to the CFE was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is outlined below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- 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.
- FY 2027 Budget: $27.1 billion in Foundation Aid, an increase of $779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 and 2026-27 Budgets also made 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 Revenues

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

Fiscal Year	Total Revenues (1)	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	$ 17,380,840	$ 10,515,177	60.50%
2021-2022	17,973,745	11,481,007	63.88
2022-2023	18,650,896	11,427,729	61.27
2023-2024	20,199,488	12,430,495	61.54
2024-2025	20,162,296	12,231,922	60.67
2025-2026 (Budgeted)	19,652,950	12,218,000	62.17
2025-2026 (Unaudited)	20,400,000	12,350,000	60.54
2026-2027 (Budgeted)	19,771,449	12,022,789	60.81

(1) General fund only. Does not include interfund transfers or appropriated fund balance.

Source: Audited financial statements for the 2020-21 through 2024-25 fiscal years, the unaudited figures for 2025-26, and the adopted budgets for the 2025-26 and 2026-27 fiscal years. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Main Building	PK-12	1,219	1938, 1993, 2004
Iverson Wing	1-12	111	1964
Bus Garage	-	-	2020

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2022-23	641	2027-28	580
2023-24	604	2028-29	580
2024-25	600	2029-30	580
2025-26	571	2030-31	580
2026-27	570	2031-32	580

Source: District officials.

Employees

The number of persons employed by the District is approximately 153, the collective bargaining agents, if any, which represent certain employees and the dates of expirations of the various collective bargaining agreements are presented in the table below.

Number of Employees	Bargaining Unit	Contract Expiration Date
79	Dundee Teachers Association	June 30, 2027
36	Non-Teaching Staff	June 30, 2030
3	Dundee Administrators Association	June 30, 2027

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 System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State’s 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The State’s Enacted 2026-27 Budget made a number of changes to the Tier VI pension program:

- Lowered Retirement Age: The full-benefit retirement age for members of TRS is reduced from 63 to 58 for members with 30 years of service, allowing educators to retire without pension penalties earlier.
- Reduced Contribution Rates: Member pension contribution percentages for members of ERS are adjusted into tiered salary brackets:
    - $75,000 or less: 3%
    - Over $75,000 to $100,000: 4%
    - Over $100,000 to $125,000: 5.25%
    - Over $125,000: 5.75%
- Overtime Cap Increase: For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to $30,000 plus CPI (up from the previous $22,500 cap).

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, budgeted figures for the 2025-26 and 2026-27 fiscal years are as follows:

Fiscal Year	ERS	TRS
2020-2021	$ 292,660	$ 596,810
2021-2022	249,041	529,350
2022-2023	230,242	605,227
2023-2024	248,358	605,227
2024-2025	312,558	622,472
2025-2026 (Budgeted)	377,000	704,700
2025-2026 (Actual)	355,000	685,000
2026-2027 (Budgeted)	418,000	658,500

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

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 offered a retirement incentive as of June 30, 2026. Three teachers took advantage and the District expects to save approximately $110,000 in the first year and approximately $200,000 annually thereafter.

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2022-23 to 2026-27) is shown below:

Fiscal Year	ERS	TRS
2022-23	11.6%	10.29%
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59
2026-27	17.6	8.24

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, 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 Rate Pension Contribution Option"). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows 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 are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund as of June 30, 2019.

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

Other Post-Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires 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.

The District contracted with Questar BOCES, an actuarial firm, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2024 and 2025 fiscal years, by source.

Balance beginning at:	July 1, 2023	July 1, 2024
	$ 6,346,734	$ 6,695,555
Changes for the year:		
Service cost	379,541	374,409
Interest on total OPEB liability	238,672	271,092
Changes in Benefit Terms	-	-
Differences between expected and actual experience	253,526	-
Changes in Assumptions or other inputs	(144,880)	(707,761)
Benefit payments	(378,038)	(347,269)
Net Changes	$ 348,821	$ (409,529)
Balance ending at:	**June 30, 2024**	**June 30, 2025**
	$ 6,695,555	**$ 6,286,026**

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

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

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

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

Other Information

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

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

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

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

Except to the extent shown in "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 District retains independent certified public accountants. The last audited report covers the period ending June 30, 2025 and is attached hereto as “APPENDIX – E”. Certain financial information of the District may also be found attached hereto as Appendices to the Official Statement.

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

Beginning with the fiscal year ending June 30, 2003, the District is required to issue 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. The District is in full compliance with GASB Statement No. 34.

New York State Comptroller Reports of Examination

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

As of the date of this Official Statement, there are no recent State Comptroller audits of the District, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The State Comptroller’s Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the 2022 through 2025 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2025	No Designation	3.3
2024	No Designation	20.0
2023	No Designation	13.3
2022	No Designation	10.0

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Towns of:					
Barrington	$ 103,554,491	$ 104,415,782	$ 105,099,823	$ 137,166,224 [1]	$ 140,913,519
Milo	58,431,300	58,983,372	75,259,489	76,236,666	76,817,704
Starkey	302,789,754	309,412,048	311,840,620	311,717,750	468,477,942
Tyrone	109,594,897	130,904,091	132,245,820	134,593,096	136,446,040
Reading	14,592,372	14,730,831	14,794,760	22,817,741	23,093,032
Total Assessed Values	$ 588,962,814	$ 618,446,124	$ 639,240,512	$ 682,531,477	$ 845,748,237
State Equalization Rates					
Towns of:					
Barrington	100.00%	94.00%	90.00%	100.00% [1]	92.00%
Milo	96.00%	86.00%	100.00%	91.00%	82.00%
Starkey	100.00%	90.00%	82.00%	74.00%	100.00%
Tyrone	100.00%	100.00%	87.00%	80.00%	77.75%
Reading	100.00%	85.00%	77.00%	100.00%	97.50%
Total Taxable Full Valuation	$ 591,397,452	$ 671,691,580	$ 743,551,173	$ 833,242,094	$ 914,503,397

[1] Significant change from prior year due to townwide revaluation.

Source: District officials.

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Towns of:					
Barrington	$ 9.71	$ 9.28	$ 9.00	$ 7.47	$ 7.68
Milo	10.11	10.00	8.10	8.21	8.61
Starkey	9.71	9.69	9.88	10.10	7.06
Tyrone	9.71	8.72	9.31	9.34	9.08
Reading	9.71	10.24	10.52	7.47	7.24

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge from September 1st through September 30th, but a 2% penalty is charged from October 1st to October 31st and from then on until November 15th when uncollected taxes are returnable to the County of Yates and Schuyler for collection. The District receives this amount of uncollected taxes from said Counties on or before April 30th, thereby assuring 100% tax collection annually.

Source: District officials.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Total Tax Levy	$ 5,743,977	$ 5,856,697	$ 6,023,613	$ 6,225,000	$ 6,458,750
Amount Uncollected (10/28/2:	302,133	480,328	331,698	333,585	N/A
% Uncollected	5.26%	8.20%	5.51%	5.36%	N/A

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: District officials.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes & Other Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes & Other Tax Items
2020-2021	$ 17,380,840	$ 5,835,364	33.57%
2021-2022	17,973,745	5,977,972	33.26
2022-2023	18,650,896	6,084,805	32.62
2023-2024	20,199,488	6,235,790	30.87
2024-2025	20,162,296	6,414,322	31.81
2025-2026 (Budgeted)	19,652,950	6,498,950	33.07
2025-2026 (Unaudited)	20,400,000	6,632,416	32.51
2026-2027 (Budgeted)	19,771,449	6,812,660	34.46

(1) General fund only.

Source: Audited Financial Statements for the 2020-21 through 2024-25 fiscal years, unaudited figures for the 2025-2026 fiscal year, and adopted budgets for the 2025-26 and 2026-27 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2025 Assessment Roll for 2025-26 District Tax Roll

Name	Type	Taxable Full Valuation
Columbia Gas & Pipeline	Utility	$25,023,717
New York State Electric & Gas	Utility	20,406,118
Glenora Wine Cellars	Private	4,771,500
Empire State Pipeline	Utility	3,336,300
Eden Glen	Private	3,184,900
1116 Eask Keuka Lake, LLC	Private	3,157,717
Miller Rory A	Private	3,068,700
Fulkerson Sayre M	Private	2,952,800
Webster Jared S	Private	2,626,000
Pennsylvania Lines LLC	Railroad	2,589,961

The ten larger taxpayers listed above have a total estimated full valuation of $71,117,713 which represents 7.78% of the tax base of the District for the 2025-2026 fiscal year.

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

Source: District officials.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,103 including County, Town, School District and Fire 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 $110,750 or less for the 2026-27 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $88,500 for the 2026-27 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.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were 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 of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

The table below lists the basic and enhanced exemption amounts for the 2026-27 District tax roll for the municipalities applicable to the District:

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Barrington	$ 81,420	$ 27,600	4/10/2026
Milo	72,570	24,600	4/10/2026
Starkey	88,500	30,000	4/10/2026
Reading	86,290	29,250	4/10/2026
Tyrone	68,810	23,330	4/10/2026

$361,853 of the District's $6,458,750school tax levy for 2025-26 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2026.

Approximately $350,000 of the District's $6,697,660 school tax levy for 2026-27 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2027.

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, applicable to the Notes.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Debt Limit. Pursuant to the Local Finance Law, 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 constitutional and 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 ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness, however, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMITATION LAW" herein).

Statutory Procedure

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

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

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.

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

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

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

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

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

The District complied with this estoppel procedure in connection with the bond resolution pursuant to which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, in anticipation of the collection of a specific type of revenue, and budget or deficiency notes when necessary.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2022	2023	2024	2025	2026
Bonds	$ 5,615,000	$ 4,590,000	$ 3,535,000	$ 2,445,000	$ 4,585,000
Bond Anticipation Notes	5,110,000	4,560,000	4,085,000	3,615,000	0
Tax/Revenue Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 10,725,000	$ 9,150,000	$ 7,620,000	$ 6,060,000	$ 5,585,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 19, 2026.

Type of Indebtedness	Maturity		Amount
Bonds	2027-2031		$ 4,585,000
Bond Anticipation Notes	-		0
		Total Indebtedness	$ 4,585,000

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of August 19, 2026:

Full Valuation of Taxable Real Property			$ 914,503,397
Debt Limit 10% thereof			91,450,339
Inclusions:			
Bonds	$ 4,585,000		
Bond Anticipation Notes (BANs):	0		
Total Inclusions prior to issuance of the Notes	4,585,000		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	14,000,000		
Total Net Inclusions after issuance of the Notes		$ 18,585,000	
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 18,585,000
Net Debt-Contracting Margin			$ 72,865,339
The percent of debt contracting power exhausted is [(2)]			20.32%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2026-27 Building Aid Ratios, the School District anticipates State building aid of 81.7% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Cash Flow Borrowings

The District, historically, does not issue tax anticipation or revenue anticipation notes, nor does it anticipate issuing any in the foreseeable future.

Capital Project Plans

On March 31, 2025 the District voters approved a $28 million capital project for the reconstruction and improvements to District buildings and facilities. The District is utilizing $5 million of capital reserve monies with the remaining $23 million borrowed in serial bonds and bond anticipation notes in anticipation thereof. The proceeds of the Notes will be the initial borrowing for the aforementioned purpose.

There are no other capital projects financings authorized and unissued by the District, nor are any contemplated.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness (1)	District Share	Applicable Indebtedness
County of:				
Yates	12/31/2024	$ 7,615,723	15.94%	$ 1,213,946
Schuyler	12/31/2024	1,348,559	7.51%	101,277
Town of:				
Barrington	12/31/2024	-	32.53%	-
Milo	12/31/2024	2,803,000	10.57%	296,277
Starkey	12/31/2024	-	100.00%	-
Reading	12/31/2024	-	6.70%	-
Tyrone	12/31/2024	-	50.56%	-
Village of:				
Dundee	5/31/2025	11,533,000	100.00%	11,533,000
			Total:	$ 13,144,500

(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.

Note: Gross indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding excludable debt for municipalities, such as water debt, sewer debt and budgeted appropriations, to the extent such indebtedness may be applicable to the respective municipality, is not provided in the local government data the above table is sourced from.

Debt Ratios

The following table sets forth certain ratios relating to the District's Net Indebtedness as of August 19, 2026:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness (c)	$ 18,585,000	$ 2,865.40	2.03%
Net Indebtedness Plus Gross Overlapping Indebtedness (d)	31,729,500	4,892.00	3.47

(a) The 2024 estimated population of the District is 6,486. (See "THE SCHOOL DISTRICT – District Population" herein.)
(b) The District's full value of taxable real estate for the 2025-26 tax roll is $914,503,397. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.
(d) The District's applicable share of Gross Overlapping Indebtedness is estimated to be $13,144,500. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the Notes 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 Notes 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. The Notes when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

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

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

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

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

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

No Past Due Debt. No principal of or interest on District indebtedness is currently past due. To the best knowledge of current District officers, the District has not defaulted on the payment of the principal of and interest on any indebtedness in the past five years.

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 investment risk.

The financial and economic condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State and in other jurisdictions, 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 another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The District 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 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").

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District's financial condition. These factors may have an effect on the market price of the Notes.

The District’s credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District’s credit rating could adversely affect the market value of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. 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.

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 and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the District and hence 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. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Cybersecurity

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

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, 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”), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D”.

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 School District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, 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 the 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 excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the 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, 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 beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, 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, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – D".

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

The Municipal Advisor intends to apply for CUSIP identification numbers, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

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

Moody's Investors Service ("Moody's") has assigned its underlying rating of "A1" with no outlook to the District's outstanding long term general obligation bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 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 outstanding bonds or 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.

Trespasz Law Offices, LLP, Syracuse, 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: Lisa Kuhnel, School Business Administrator, Dundee Central School District, 55 Water Street, Dundee, New York 14837, Phone: (607) 243-5533 x7703, Email: lkuhnel@dundeecs.org

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

DUNDEE CENTRAL SCHOOL DISTRICT

Dated: August 19, 2026

ROBERT NEU
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
ASSETS					
Cash and Cash Equivalents	$ 13,370,794	$ 5,977,854	$ 11,523,616	$ 12,409,020	$ 12,905,981
Cash and Cash Equivalents - Restricted	-	-	-	-	-
Investments	2,055,126	12,065,045	8,415,695	8,867,135	5,269,283
Accounts Receivables	67,561	119,552	9,103	48,377	37,832
Due from Other Funds	1,271,566	1,119,073	1,334,886	1,350,764	96,273
State and Federal Aid Receivable	1,129,540	515,865	461,802	811,277	588,981
Prepaid Expenditures	-	210,538	290,441	281,475	305,891
TOTAL ASSETS	$ 17,894,587	$ 20,007,927	$ 22,035,543	$ 23,768,048	$ 19,204,241
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 68,998	$ 47,406	$ 464,597	$ 273,420	$ 129,958
Accrued Liabilities	184,819	164,936	121,905	149,432	157,489
Due to Other Funds	350,577	461,454	89,139	34,275	1,991
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	608,589	599,011	696,505	706,107	780,840
Due to Employees' Retirement System	79,819	12,401	61,464	95,366	104,743
Unearned Revenues	-	-	-	-	-
Compensated absences	-	-	-	-	-
TOTAL LIABILITIES	$ 1,292,802	$ 1,285,208	$ 1,433,610	$ 1,258,600	$ 1,175,021
FUND EQUITY					
Nonspendable:	$ -	$ 210,538	$ 290,441	$ 281,475	$ 305,891
Restricted:	15,501,397	17,389,191	19,130,207	21,016,793	16,541,950
Assigned:	351,586	363,526	348,051	346,323	286,910
Unassigned:	748,802	759,464	833,234	864,857	894,469
TOTAL FUND EQUITY	16,601,785	18,722,719	20,601,933	22,509,448	18,029,220
TOTAL LIABILITIES and FUND EQUITY	$ 17,894,587	$ 20,007,927	$ 22,035,543	$ 23,768,048	$ 19,204,241

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	$ 4,924,956	$ 5,072,611	$ 5,234,668	$ 5,399,371	$ 5,600,392
Other Tax Items	763,281	762,753	743,304	685,434	635,398
Charges for Services	90,085	227,478	138,789	29,967	42,962
Use of Money & Property	137,524	31,174	32,574	701,457	1,133,940
Sale of Property and Compensation for Loss	3,649	17,382	75,087	34,716	23,573
Miscellaneous	243,939	185,872	209,923	239,702	240,433
Interfund Revenues	-	2,822	-	-	-
Revenues from State Sources	10,518,716	10,515,177	11,539,400	11,427,729	12,430,495
Revenues from Federal Sources	77,370	565,571	-	132,520	92,295
Total Revenues	$ 16,759,520	$ 17,380,840	$ 17,973,745	$ 18,650,896	$ 20,199,488
Other Sources:					
Interfund Transfers	-	-	31,695	66,815	-
Total Revenues and Other Sources	16,759,520	17,380,840	18,005,440	18,717,711	20,199,488
EXPENDITURES					
General Support	$ 1,630,487	$ 1,762,817	$ 1,932,866	$ 2,133,587	$ 2,191,633
Instruction	7,298,462	7,854,804	7,300,629	7,640,930	8,933,645
Pupil Transportation	1,007,027	1,025,949	966,894	1,135,236	1,191,125
Community Services	21,882	22,184	24,683	22,342	37,965
Employee Benefits	3,582,070	3,706,048	3,552,829	3,747,555	3,993,629
Debt Service	1,602,104	1,917,492	2,081,338	1,961,447	1,911,478
Total Expenditures	$ 15,142,032	$ 16,289,294	$ 15,859,239	$ 16,641,097	$ 18,259,475
Other Uses:					
Interfund Transfers	84,424	6,587	25,267	197,400	32,498
Total Expenditures and Other Uses	15,226,456	16,295,881	15,884,506	16,838,497	18,291,973
Excess (Deficit) Revenues Over Expenditures	1,533,064	1,084,959	2,120,934	1,879,214	1,907,515
FUND BALANCE					
Fund Balance - Beginning of Year	13,729,428	15,516,826	16,601,785	18,722,719	20,601,933
Prior Period Adjustments (net)	254,334	-	-	-	-
Fund Balance - End of Year	$ 15,516,826	$ 16,601,785	$ 18,722,719	$ 20,601,933	$ 22,509,448

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:	2025			2026	2027
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 6,225,000	$ 5,810,000	$ 5,821,583	$ 6,458,750	$ 6,812,660
Other Tax Items	179,700	594,700	592,739	40,200	-
Charges for Services	6,000	-	4,322	8,000	-
Use of Money & Property	625,000	625,000	1,065,347	750,000	-
Sale of Property and Compensation for Loss	5,000	5,000	17,548	5,000	-
Miscellaneous	68,000	76,000	382,592	113,000	936,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	12,107,182	12,107,182	12,231,922	12,218,000	12,022,789
Revenues from Federal Sources	60,000	60,000	46,243	60,000	-
Total Revenues	$ 19,275,882	$ 19,277,882	$ 20,162,296	$ 19,652,950	$ 19,771,449
Other Sources:					
Proceeds from Leases	-	-	-	-	-
Appropriated Reserves	2,093,635	7,189,960	-	2,833,210	1,160,000
Appropriated Fund Blance	250,000	250,000	-	250,000	940,000
Total Revenues and Other Sources	21,619,517	26,717,842	20,162,296	22,736,160	21,871,449
EXPENDITURES					
General Support	$ 2,689,301	$ 2,711,854	$ 2,393,567	$ 2,963,123	$ 1,906,624
Instruction	9,910,467	10,331,437	9,782,235	10,819,247	11,652,380
Pupil Transportation	1,461,832	1,402,252	1,287,758	1,444,739	1,701,331
Community Services	44,300	28,800	23,372	46,300	38,800
Employee Benefits	5,408,152	5,130,632	4,264,255	5,677,701	5,144,551
Debt Service	2,072,965	2,072,965	1,865,250	1,752,550	1,395,263
Total Expenditures	$ 21,587,017	$ 21,677,940	$ 19,616,437	$ 22,703,660	$ 21,838,949
Other Uses:					
Interfund Transfers	32,500	5,039,902	5,026,087	32,500	32,500
Total Expenditures and Other Uses	21,619,517	26,717,842	24,642,524	22,736,160	21,871,449
Excess (Deficit) Revenues Over Expenditures	-	-	(4,480,228)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	22,509,448	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 18,029,220	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2027	$ 835,000	$ 259,487.50	$ 1,094,488
2028	610,000	179,200	789,200
2029	585,000	151,400	736,400
2030	555,000	124,950	679,950
2031	410,000	100,000	510,000
2032	370,000	79,500	449,500
2033	385,000	61,000	446,000
2034	410,000	41,750	451,750
2035	425,000	21,250	446,250
TOTALS	$ 4,585,000	$ 1,018,538	$ 5,603,538

APPENDIX - B1
Dundee CSD

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Capital Improvement Project			2016 DASNY Bond		
	Principal	Interest	Total	Principal	Interest	Total
2027	$ 370,000	$ 23,550.00	$ 393,550	$ 220,000	$ 32,500.00	$ 252,500
2028	135,000	12,450.00	147,450	170,000	21,500.00	191,500
2029	140,000	8,400.00	148,400	125,000	13,000.00	138,000
2030	140,000	4,200.00	144,200	80,000	6,750.00	86,750
2031	-	-	-	55,000	2,750.00	57,750
TOTALS	$ 785,000	$ 48,600	$ 833,600	$ 650,000	$ 76,500	$ 726,500

Fiscal Year Ending June 30th	2026 DASNY Bond		
	Principal	Interest	Total
2027	$ 245,000	$ 203,437.50	$ 448,438
2028	305,000	145,250.00	450,250
2029	320,000	130,000.00	450,000
2030	335,000	114,000.00	449,000
2031	355,000	97,250.00	452,250
2032	370,000	79,500.00	449,500
2033	385,000	61,000.00	446,000
2034	410,000	41,750.00	451,750
2035	425,000	21,250.00	446,250
TOTALS	$ 3,150,000	$ 893,437.50	$ 4,043,438

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (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 Notes.

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

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

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

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

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

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

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

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FORM OF BOND COUNSEL OPINION

September 10, 2026

Dundee Central School District
County of Yates,
State of New York

Re: Dundee Central School District, Yates and Schuyler Counties, New York
$14,000,000 Bond Anticipation Notes, 2026

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $14,000,000 Bond Anticipation Notes, 2026 (referred to herein as the “Notes”), of the Dundee Central School District, Yates and Schuyler Counties, State of New York (the "District"). The Notes are dated September 10, 2026 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District in respect of the Notes and a Certificate of Determination dated on or before September 10, 2026 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. Interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes 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 and Use of Proceeds 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 Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

Trespasz Law Offices, LLP

DUNDEE CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ending June 30, 2025

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.

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

DUNDEE CENTRAL SCHOOL DISTRICT

Financial Statements and
Independent Auditor's Reports as of and
For the Year Ended June 30, 2025

Bonadio & Co., LLP
Accounting, Consulting & More

DUNDEE CENTRAL SCHOOL DISTRICT

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DUNDEE CENTRAL SCHOOL DISTRICT

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Bonadio & Co., LLP
Accounting, Consulting & More

INDEPENDENT AUDITOR'S REPORT

October 9, 2025

To the Board of Education of the
Dundee Central School District

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dundee Central School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Emphasis of Matter – Change in Accounting Principle
As discussed in Note 18 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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.

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(Continued)

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of contributions - pension plans, schedule of proportionate share of net pension liability (asset) and schedule of changes in total other postemployment benefit liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining balance sheet - nonmajor governmental funds, combining statement of revenue, expenditures, and change in fund balance - nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - nonmajor governmental funds and combining statement of revenue, expenditures, and change in fund balance - nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

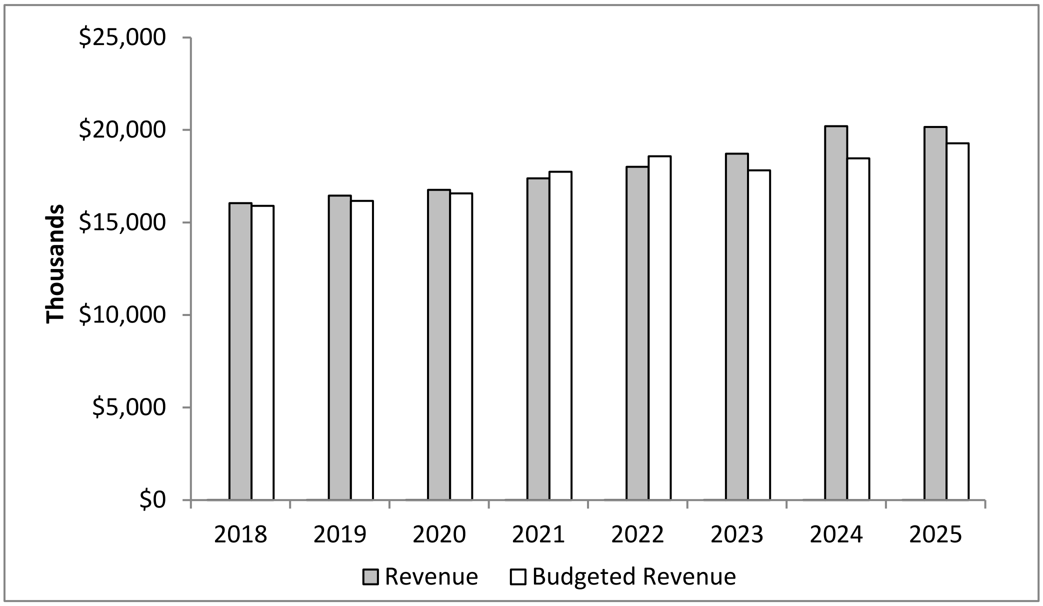
In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

As management of the Dundee Central School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

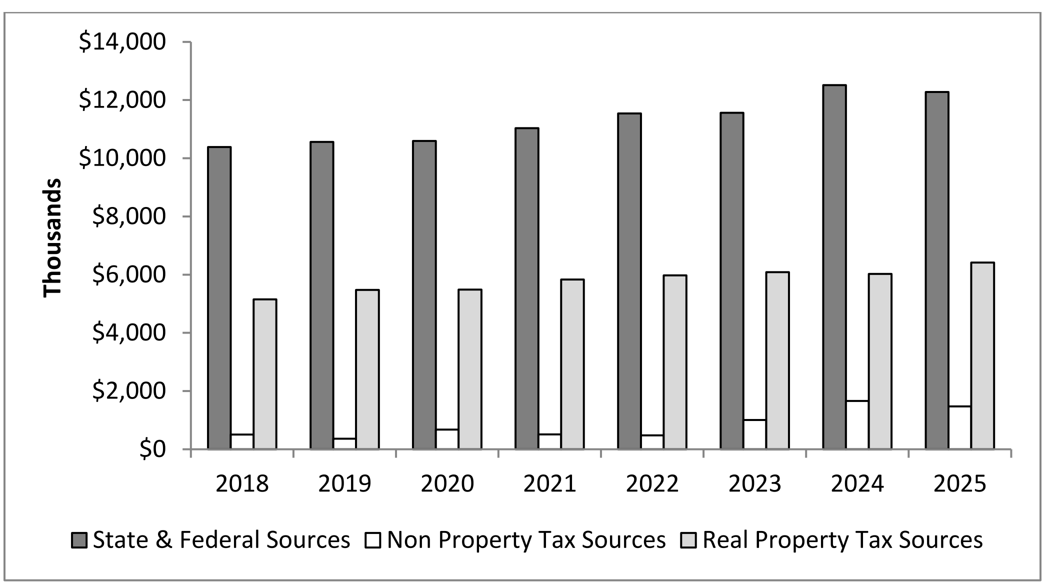
Resource Sources

- From 2018 to 2025 total general fund revenue has consistently met or exceeded planned (budgeted) revenues.



Actual vs. Budgeted Revenue

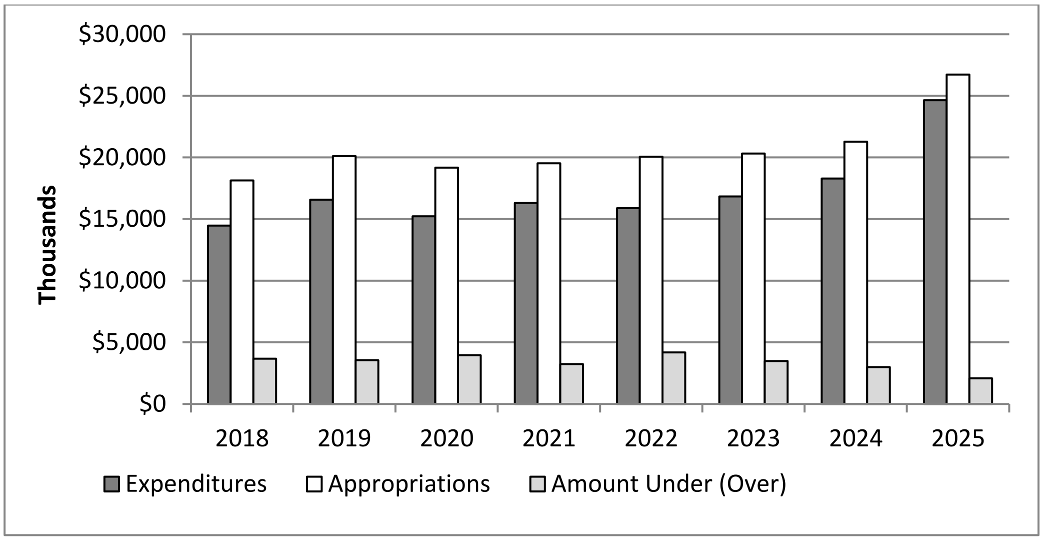
- From 2018-2025 general fund revenue increased 25.7%, primarily due to increases in state and federal aid, interest earnings and real property taxes. Non property taxes include charges for services, investment earnings, refunds, compensation for losses and minor sales.



Revenue Sources

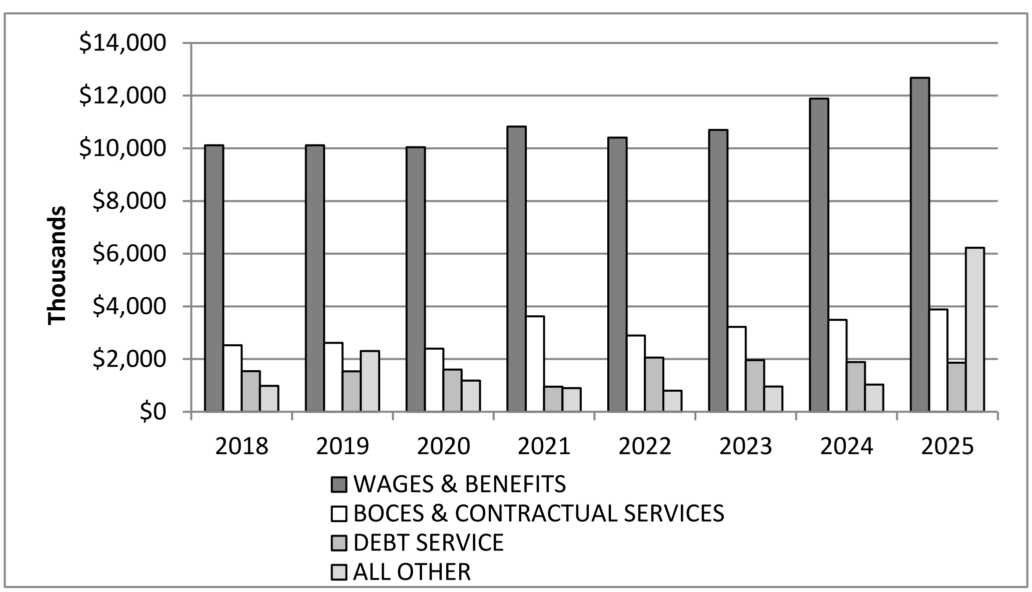
Resource Uses

- From 2018-2025 general fund expenditures increased substantially in 2025 due to a transfer of capital reserve funds from the general fund to the capital fund as a voter approved capital project financing source in the amount of $5,000,000. All other expenditures increased 35.7% due to inflation and contractual obligations, including wages and related benefits and contractual costs. The District has utilized surpluses generated due to the supplanting of budgeted costs with grants and budgeted costs that were not incurred to fund reserves used to mitigate tax levy increases and defray subsequent expenditures.



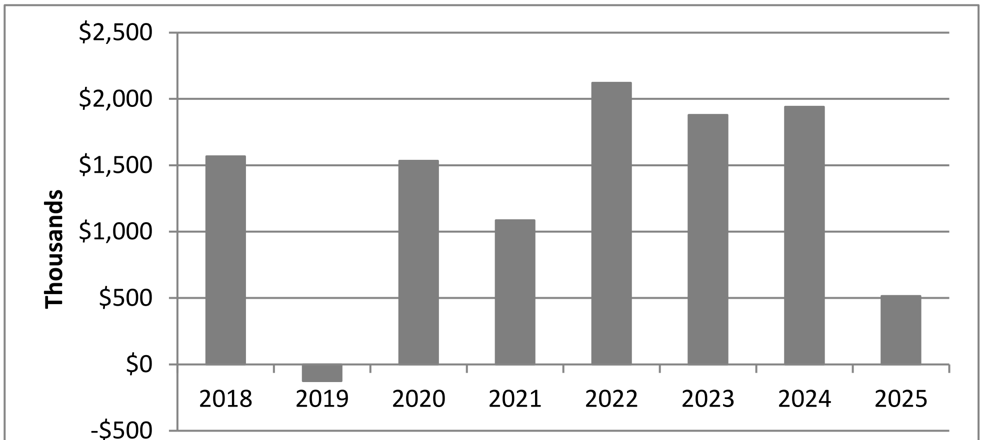
Actual vs. Budgeted Expenditures

- Wages and benefits in the general fund have increased since 2018 by 25.3%, due to contractual wage increases and loss of grant funding. Wages and benefits comprise over 51.4% of the school district's total expenditures. BOCES services and contractual costs have increased since 2018 by 15.7% primarily due to addition of services and service cost increases. Debt service costs have increased by 7.6% because of debt service requirements changing related to the District's capital improvement projects. All other costs represent 25.3% of total expenditures. The one-time transfer of capital reserve funds in 2025 accounted for 19.1% of this large increase.



Detailed Objects of Expenditures by Year

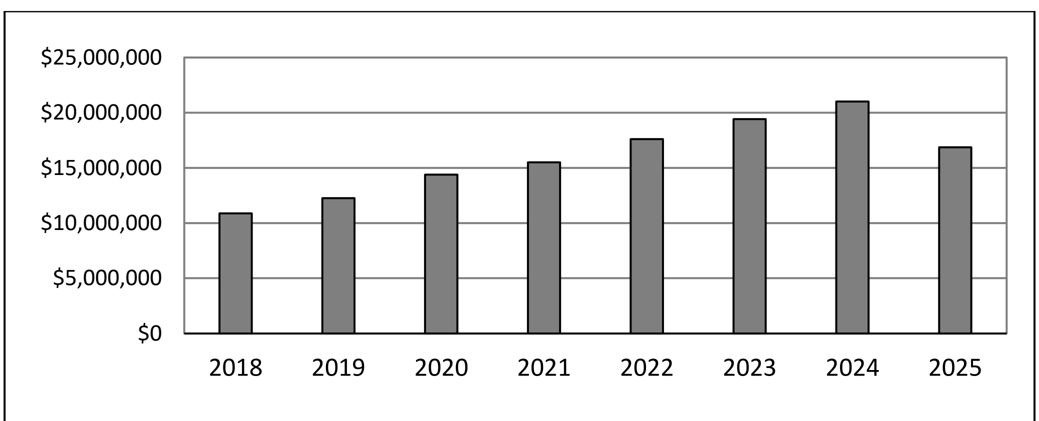
- The District has consistently generated general fund budget surpluses. Since 2018 the District recognized savings in utility costs, special education costs, and staffing and benefit costs due to staffing changes and grants received that subsidized wage and benefit costs. In 2019 the District incurred significant costs related to mold remediation that was unexpected and unbudgeted that impacted its operations, contributing to a deficit. From 2020 – 2024 the District garnered significant savings due to the COVID pandemic school closure as well as receiving additional grant resources that subsidized eligible costs and changes in out-of-district student programming. The District has formulated a long-range reserve plan, and when deemed to be financially prudent and viable, seeks the creation and funding of reserves to mitigate the impact of certain eligible expenses on the District's local tax levy.



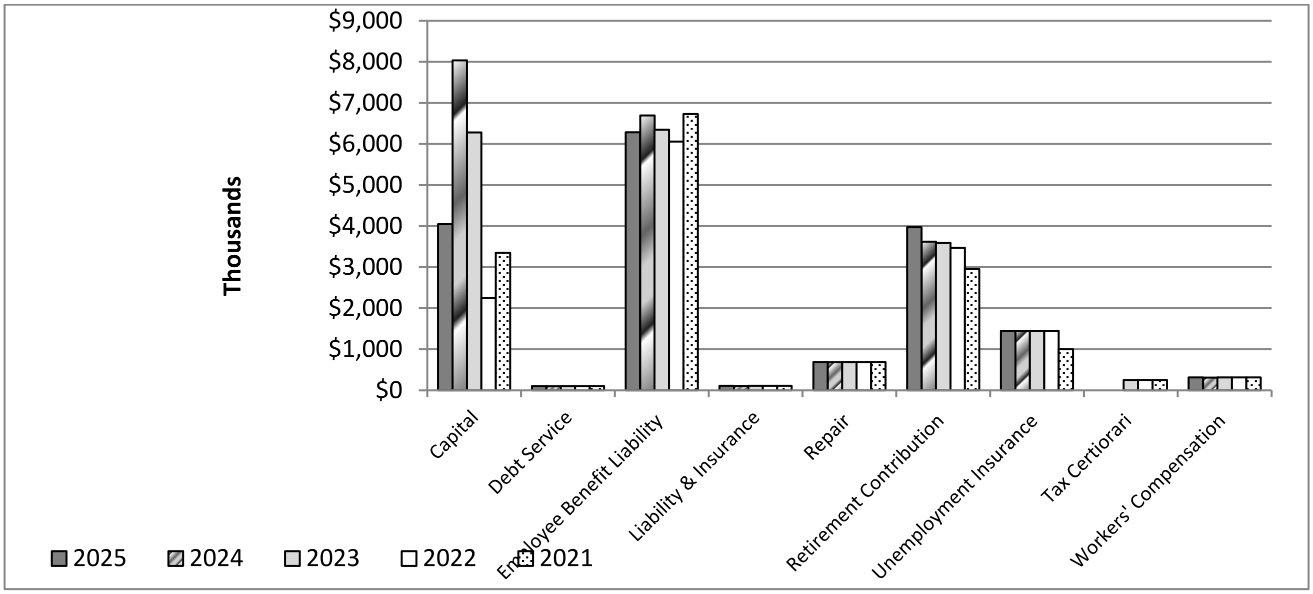
2025 data excludes transfer of capital reserve to capital fund.

General Fund Operating Surplus (Deficit)

- The District maintains many reserve funds that have been established, funded and utilized for specific purposes as specified in statute. The District has increasingly relied on these reserve funds and continuously plans to appropriate amounts in accordance with regulations, to mitigate budget cuts and tax increases. The District sought and received voter authorization for the establishment of a Capital Reserve Fund in fiscal year 2019-20 and 2022-23. The District has authorized and funded many of its reserve funds since 2019-20 with its available resources.



General Fund Reserved Fund Balance



Restricted Reserve Balances-June 30,

- The District's long-range plan for facilities continued during 2024-25, with planning commencing on a voter-approved capital improvement project and application of $5,000,000 of capital reserve funds as a financing source and transferred to the capital fund. The Repair Reserve as transferred to the Capital Reserve Fund and excess funds from the Workers' Compensation Reserve Fund was applied towards budgetary appropriations.
- The District's capital assets, net of accumulated depreciation totaled $14.1 million at June 30. The district added $691 thousand consisting of transportation vehicles and instructional equipment.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) districtwide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

<u>Districtwide financial statements.</u> The districtwide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods.

The districtwide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. There is a state mandated uniform system and chart of accounts for New York State school districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into the following categories: governmental and fiduciary funds. Fiduciary funds are used to account for activities in which the District acts as a trustee or agent for resources that belong to others. These activities are not included in the Districtwide financial statements because their resources do not belong to the District and/or are not available to be used. Certain scholarship funds are held in private purpose trust funds and taxes collected for the library are recorded in the Custodial fund. All funds not accounted for in a fiduciary fund are accounted for in the governmental funds.

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

DISTRICTWIDE FINANCIAL ANALYSIS

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

NET POSITION FOR THE PERIOD ENDED JUNE 30,

	2025	2024
Current Assets	$25,502,482	$24,255,656
Noncurrent Assets	15,108,094	14,699,700
Deferred Outflows of Resources	3,429,869	3,942,974
Total Assets & Deferred Outflows	**$44,040,445**	**$42,898,330**
Current Liabilities	5,690,523	5,353,091
Noncurrent Liabilities	19,395,273	11,581,505
Deferred Inflows of Resources	2,607,467	1,509,171
Total Liabilities & Deferred Inflows	**$27,693,263**	**$18,443,767**
Net position:		
Investment in Capital Assets (net of related debt)	9,001,702	7,049,612
Restricted	20,978,321	21,474,916
Unrestricted	(13,632,841)	(4,069,965)
Total Net Position	**$16,347,182**	**$24,454,563**

The District's change in net position was $8.1 million, primarily due to the change in noncurrent liabilities offset slightly by change in total assets.

NET POSITION THE PERIOD ENDED JUNE 30,

Revenues	**2025**	**2024**
State and Federal Aid	$12,278,165	$12,522,790
Property Taxes	592,739	6,235,790
Operating Grants & Contributions	3,064,536	3,289,598
Miscellaneous	531,603	408,060
Charges for Services	28,312	67,926
Investment Earnings	1,065,508	1,134,113
	$23,382,446	**$23,658,277**
Expenses		
Instruction	$17,385,309	$16,637,852
General Support	2,749,963	2,633,591
Pupil Transportation	1,692,113	1,560,226
School Lunch	573,670	573,009
Interest	302,670	358,243
Community Services	23,372	37,965
	$22,726,953	**$21,800,886**
Change in Net Position	665,493	1,857,391
Net Position, Beginning of Year, as previously reported	24,454,563	22,597,172
Net Position, Beginning of Year, as restated	15,691,689	-
Net Position, End of Year	**$16,347,182**	**$24,454,563**

All operating expenses increased based on normal operations and increases in contractual and operating costs.

FACTORS BEARING ON THE DISTRICT'S FUTURE

- Although fund balances are only one indicator of a School District's financial health, it is a substantive indicator of the future capacity of School Districts to meet their fiscal and educational obligations, especially given the new restrictions on revenue from local sources (tax cap) and state aid (tied to personal income growth). The availability of reserve funds to lessen the local tax burden is tenuous, and the continued use of reserves in this manner will exhaust them.
- The District faces other challenges, such as declining student enrollment and from certain public policy decisions made by New York State, including but not limited to the property tax cap, pension benefit enhancements enacted in the 1990's, and special education mandates that exceed federal guidelines.
- The District's largest source of operating revenue is State Aid and receives the minimum annual base amount plus a minimal increase due to its standing as a 'hold harmless' district. Also, due to its increasing property and income wealth, the formula aid amounts are not increasing, driving lesser and lesser state aid dollars to the district.

DUNDEE CENTRAL SCHOOL DISTRICT

District Wide Financial Statement
Statement of Net Position
June 30, 2025

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	14,654,376
Cash and cash equivalents - restricted		4,120,678
Investments		5,269,283
Accounts receivable		38,159
Due from Federal and State governments		1,089,263
Prepaid expenses		307,709
Inventory		23,014
Total current assets		25,502,482
NON-CURRENT ASSETS:		
Net pension asset - TRS		996,612
Capital assets, nondepreciable		5,928
Capital assets, net of depreciation and amortization		14,105,554
Total non-current assets		15,108,094
Total assets		40,610,576
DEFERRED OUTFLOWS OF RESOURCES		
Pension related - TRS		2,439,074
Pension related - ERS		538,567
OPEB related		452,228
Total deferred outflows of resources		3,429,869
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable		158,522
Accrued liabilities		163,167
Accrued interest		2,335
Unearned revenue		859,579
Due to other governments		171
Due to Teachers' Retirement System		780,840
Due to Employees' Retirement System		110,909
Bond anticipation note payable		3,615,000
Total current liabilities	$	5,690,523

LIABILITIES (CONTINUED)		
LONG-TERM LIABILITIES:		
Due and payable within one year -		
Lease liability	$	6,899
Other postemployment benefits (OPEB) liability		744,565
Bonds payable		1,010,000
Compensated absences, current		951,763
Total long-term liabilities due and payable within one year		2,713,227
Due and payable after one year -		
Net pension liability - ERS		1,139,200
Other postemployment benefits (OPEB) liability, net of current portion		5,541,461
Bonds payable, net of current portion		1,435,000
Lease liability, net of current portion		522
Compensated absences, net of current portion		8,565,863
Total long-term liabilities due and payable after one year		16,682,046
Total long-term liabilities		19,395,273
Total liabilities		25,085,796
DEFERRED INFLOWS OF RESOURCES		
Pension related - TRS		1,307,628
Pension related - ERS		31,259
OPEB related		1,268,580
Total deferred inflows of resources		2,607,467
NET POSITION		
Net investment in capital assets		9,001,702
Restricted		20,978,321
Unrestricted		(13,632,841)
Total net position	$	16,347,182

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

District Wide Financial Statement
Statement of Activities
For the Year Ended June 30, 2025

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 2,749,963	$ -	$ -	$ (2,749,963)
Instruction	17,385,309	4,322	2,571,061	(14,809,926)
Pupil transportation	1,692,113	-	-	(1,692,113)
Community service	23,372	-	-	(23,372)
Interest	302,526	-	-	(302,526)
School lunch program	573,670	23,990	493,475	(56,205)
Total functions/programs	$ 22,726,953	$ 28,312	$ 3,064,536	$ (19,634,105)
GENERAL REVENUE:				
Real property taxes				5,821,583
Real property tax items				592,739
Use of money and property				1,065,508
Sale of property and compensation for loss				17,548
Miscellaneous				514,055
Medicaid reimbursement				46,243
State sources				12,231,922
Total general revenue				20,289,598
CHANGE IN NET POSITION				655,493
NET POSITION - beginning of year, as previously reported				24,454,563
RESTATEMENT (Note 18)				(8,762,874)
NET POSITION - beginning of year, as restated				15,691,689
NET POSITION - end of year				$ 16,347,182

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2025

	General	Capital Projects	Special Aid	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 12,905,981	$ 957,641	$ 490,623	$ 300,131	$ 14,654,376
Cash and cash equivalents - restricted	-	4,006,810	-	113,868	4,120,678
Investments	5,269,283	-	-	-	5,269,283
Accounts receivable	37,832	-	-	327	38,159
Due from other funds	96,273	-	1,991	-	98,264
Due from Federal and State governments	588,981	-	463,914	36,368	1,089,263
Inventory	-	-	-	23,014	23,014
Prepaid expenditures	305,891	-	-	1,818	307,709
Total assets	19,204,241	4,964,451	956,528	475,526	25,600,746
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	129,958	11,960	15,591	1,013	158,522
Accrued liabilities	157,489	-	90	5,588	163,167
Due to other funds	1,991	6,810	71,336	18,127	98,264
Due to other governments	-	-	-	171	171
Due to Teachers' Retirement System	780,840	-	-	-	780,840
Due to Employees' Retirement System	104,743	-	-	6,166	110,909
Unearned revenue	-	-	857,761	1,818	859,579
Bond anticipation note payable	-	3,615,000	-	-	3,615,000
Total liabilties	1,175,021	3,633,770	944,778	32,883	5,786,452
FUND BALANCES:					
Nonspendable -					
Inventory	-	-	-	23,014	23,014
Prepaid items	305,891	-	-	1,818	307,709
Restricted	16,541,950	4,006,810	11,750	417,811	20,978,321
Assigned to -					
Appropriated for subsequent year's expenditures	250,000	-	-	-	250,000
Other assigned purposes	36,910	-	-	-	36,910
Unassigned	894,469	(2,676,129)	-	-	(1,781,660)
Total fund balances	18,029,220	1,330,681	11,750	442,643	19,814,294
Total liabilities and fund balance	$ 19,204,241	$ 4,964,451	$ 956,528	$ 475,526	$ 25,600,746

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2025

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

Fund balance - total governmental funds	$	19,814,294
Capital assets, including lease assets and SBITA assets, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		14,111,482
Net pension assets are not current resources, and therefore are not reported as assets in the governmental funds Balance sheet. Long-term assets recorded in the Statement of Net Position are as follows:		
Net pension asset - TRS		996,612
Deferred outflows/inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows - ERS/TRS		2,977,641
Deferred inflows - ERS/TRS		(1,338,887)
Deferred outflows - OPEB		452,228
Deferred inflows - OPEB		(1,268,580)
Long-term other postemployment benefit (OPEB) obligations are not due and payable in the current period and, therefore, are not reported in the funds: (expense)/income resulting from the change in the OPEB related (liability)/asset that is long-term in nature and therefore not reported in the funds.		
Total other postemployment benefits (OPEB) liability		(6,286,026)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability - ERS		(1,139,200)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences		(9,517,626)
Bonds payable		(2,445,000)
Lease liability		(7,421)
Accrued interest		(2,335)
Net position of governmental activities	$	16,347,182

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Change In Fund Balance - Governmental Funds
For the Year Ended June 30, 2025

	General	Capital Projects	Special Aid	Nonmajor Funds	Total Governmental Funds
REVENUE:					
Real property taxes	$ 5,821,583	$ -	$ -	$ -	$ 5,821,583
Real property tax items	592,739	-	-	-	592,739
Charges for services	4,322	-	-	-	4,322
Use of money and property	1,065,347	-	-	161	1,065,508
Sale of property and compensation for loss	17,548	-	-	-	17,548
Miscellaneous	382,592	-	52,467	78,996	514,055
State sources	12,231,922	-	1,048,715	44,594	13,325,231
Federal sources	-	-	1,522,346	448,881	1,971,227
Medicaid reimbursement	46,243	-	-	-	46,243
Sales	-	-	-	23,990	23,990
Total revenue	20,162,296	-	2,623,528	596,622	23,382,446
EXPENDITURES:					
General support	2,393,567	-	-	-	2,393,567
Instruction	9,782,235	-	2,326,414	77,229	12,185,878
Pupil transportation	1,287,758	-	-	-	1,287,758
Community service	23,372	-	-	-	23,372
Employee benefits	4,264,255	-	323,201	64,886	4,652,342
Cost of sales	-	-	-	483,285	483,285
Capital outlay	-	54,324	-	-	54,324
Debt service -			-		
Principal	1,560,000	-	-	-	1,560,000
Interest	305,250	-	-	-	305,250
Total expenditures	19,616,437	54,324	2,649,615	625,400	22,945,776
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	545,859	(54,324)	(26,087)	(28,778)	436,670
OTHER FINANCING SOURCES AND (USES)					
Bans redeemed from appropriations	-	470,000	-	-	470,000
Transfers in	-	5,000,000	26,087	-	5,026,087
Transfers out	(5,026,087)	-	-	-	(5,026,087)
Total other financing sources (uses)	(5,026,087)	5,470,000	26,087	-	470,000
CHANGE IN FUND BALANCE	(4,480,228)	5,415,676	-	(28,778)	906,670
FUND BALANCE - beginning of year	22,509,448	(4,084,995)	11,750	471,421	18,907,624
FUND BALANCE - end of year	$ 18,029,220	$ 1,330,681	$ 11,750	$ 442,643	$ 19,814,294

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Funds to the Statement of Activities

For the year ended June 30, 2025

Net changes in fund balance - total governmental funds	$	906,670
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.		691,738
Depreciation and amortization are not recorded as expenditures in the governmental funds, but are recorded as expenses in the statement of activities.		(1,269,646)
Loss on disposal of capital assets is not recorded as an expenditure in the governmental funds, but is recorded as an expense in the statement of activities.		(10,310)
Repayments of long-term debt and lease payments are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.		1,112,672
Other postemployment benefits (expense)/income resulting from the change in the related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and, therefore, are not reported in the funds.		
Total other postemployment benefits liability		409,529
Deferred outflows of resources		(94,065)
Deferred inflows of resources		(521,136)
TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and, therefore, are not reported in the funds.		
Net pension liability/asset		1,360,800
Deferred outflows of resources		(186,707)
Deferred inflows of resources		(1,062,895)
ERS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and, therefore, are not reported in the funds.		
Net pension liability/asset		(182,531)
Deferred outflows of resources		(232,333)
Deferred inflows of resources		485,735
Certain expenses in the statement of activities do not require the use of current resources and are, therefore, not reported as expenditures in the governmental funds:		
Compensated absences		(754,752)
Change in accrued interest		2,724
Change in net position - governmental activities	$	655,493

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Net Position - Fiduciary Funds
June 30, 2025

	Private Purpose Trust	Custodial Fund
ASSETS:		
Cash - restricted	$ 1,433,577	$ -
Total assets	1,433,577	-
NET POSITION:		
Restricted for scholarships	1,433,577	-
Total net position	$ 1,433,577	$ -

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Change in Fiduciary Net Position - Fiduciary Funds
For the year ended June 30, 2025

	Private Purpose Trust	Custodial Fund
ADDITIONS:		
Gifts and contributions	$ 7,450	$ -
Investment earnings	291	-
Tax collections for other governments	-	178,000
Total additions	7,741	178,000
DEDUCTIONS:		
Scholarships and awards	13,664	-
Payments of tax to other governments	-	178,000
Total deductions	13,664	178,000
CHANGE IN NET POSITION	(5,923)	-
NET POSITION - beginning of year	1,439,500	-
NET POSITION - end of year	$ 1,433,577	$ -

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS

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

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

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The Extraclassroom Activity Funds are also included in these financial statements.

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

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

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

1. NATURE OF OPERATIONS (Continued)

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

During the year, the District was billed $2,749,197 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $527,160.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Fund Financial Statements
The fund statements provide information about the District's funds, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Special Aid Fund - This fund is used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

The District reports the following nonmajor governmental funds:

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

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

- Miscellaneous Special Revenue Fund: Used to account for and report those revenues that are restricted or committed to expenditures for specified purposes. Specifically, the District accounts for extraclassroom activities here, as the District has administrative involvement with these funds.

Fiduciary Funds
These funds are used to account for fiduciary activities. Fiduciary activities are those 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/or are not available to be used.

The District has two types of fiduciary funds:

- **Private Purpose Trust Funds** - These funds are used to account for trust arrangements in which principal and income are used to fund annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

- **Custodial Funds** - These funds are strictly custodial in nature. These are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. At the District, taxes collected on behalf of other governments are recorded in this fund.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)
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 is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

In the District-wide statements, 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 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

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

Land and work in progress are not depreciated. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	$ 50,000	SL	20 - 30 years
Furniture and equipment	$ 5,000	SL	5 - 25 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)
Capital assets also include lease assets and SBITAs assets with a term greater than one year. The School District does not implement a capitalization threshold for lease or SBITA assets. Lease and SBITA assets are amortized on a straight-line basis over the term of the lease/SBITA.

Vested Employee Benefits
Eligible employees receive annual sick leave, vacation, and personal leave time. Eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, employees may contractually receive a payment towards other postemployment benefits based on unused accumulated sick leave. As such, the value of these future payments is encompassed in the District's Total Other Postemployment Benefit (OPEB) Liability.

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 Standards, the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end. In the governmental fund financial statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

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

In addition to providing pension benefits, the District allows employees to convert unused sick leave to an escrow fund to cover healthcare costs after retirement through the District's Other Postemployment Benefit (OPEB) plan. The balance remaining in escrow upon death of a retired employee can be applied to the surviving spouse. Upon the death of a surviving spouse, or retired employee if no surviving spouse, the unused balance reverts to the District. The value of the future expected costs of this benefit is recognized as the total OPEB liability.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date (seven years for BANs issued between 2015 - 2021).

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund, as well as prepaid expenditures.

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

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

Reserve for Debt Service
According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the General Fund.

Repair
According to General Municipal Law §6-d, expenditures made from the repair reserve fund must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve
According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Insurance Reserve
According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval. This 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 and to expend from the funds without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. The District does not maintain a Tax Certiorari in the current year ended June 30, 2025.

Retirement Contributions Reserve
According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r with a balance of $637,770 at June 30, 2025. This reserve is accounted for in the General Fund.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

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

Restricted fund balance includes the following:

General Fund:	
Workers' compensation	$ 313,000
Capital reserve	3,922,422
Debt service	102,556
Employee benefits	6,286,023
Retirement contributions	3,671,177
Unemployment insurance	1,450,000
Insurance	110,000
Repair	686,772
Total General Fund	16,541,950
Special Aid Fund	11,750
School Lunch Fund	303,943
Capital Projects Fund	4,006,810
Miscellaneous Special Revenue Fund - Extraclassroom	113,868
Activities	4,436,371
	$ 20,978,321

As a special revenue fund, the School Lunch Fund's fund balance is restricted for the purpose of that fund. Similarly, the fund balance in the Special Aid Fund is restricted for the purpose of the particular grants. Fund balance in the Miscellaneous Special Revenue Fund is also restricted, to be used for the extraclassroom activities of the District.

Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision making authority, the BOE. The District has no committed fund balances as of June 30, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

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

Unassigned fund balance - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy

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

Use of Estimates

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

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

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

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

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

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

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

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

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

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets (Continued)
The voters of the District approved the proposed appropriation budget.

Appropriations are adopted at the program line-item level.

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

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2025.

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

Fund Balance
The Capital Projects Fund had a surplus fund balance of $1,330,681. Any future deficits that may occur will be funded when the District obtains permanent financing for its current construction project.

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

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

5. CASH AND CASH EQUIVALENTS

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.

5. CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2025, the reported amount of the District's deposits was $16,201,821 and the bank balance was $16,638,414. Of the bank balance, $500,000 was covered by federal depository insurance and $16,388,414 was covered by collateral held in the pledging bank's trust department in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $4,120,678 within the governmental funds and $1,433,577 in the fiduciary funds.

6. INVESTMENTS

The District participates in the New York Cooperative Liquid Asset Securities System (NYCLASS) local government investment pool. A separate financial report for NYCLASS is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Copies of the report can be obtained from the NYCLASS website at newyorkclass.org.

NYCLASS measures its investments at fair value and therefore a Participant's investments in the pools are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

NYCLASS and NYCLASS Prime are rated by S&P Global Ratings. The current rating is 'AAAm.'

The dollar weighted average days to maturity (WAM) of NYCLASS at March 31, 2025 was 46 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of NYCLASS at March 31, 2025, was 83 days. The WAM of NYCLASS Prime at March 31, 2025, was 43 days and the WAL was 54 days. This was the most recent information available.

The U.S. Treasuries within the NYCLASS portfolio are backed by the full faith and credit of the United States Government and therefore do not require collateral. New York State Municipal Bonds within the portfolio are backed by the full faith and credit of the State of New York and therefore do not require collateral. The other permissible investment security types are collateralized in accordance with NYS GML Section 10 and the NYCLASS Investment Policy. Repurchase Agreements (repo) are collateralized 102% by either U.S. Treasuries or U.S. Agencies. Certificates of Deposit (CD) also require full collateral; currently NYCLASS CDs are being collateralized by Federal Home Loan Bank (FHLB) Letters of Credit (LOC).

NYCLASS Portfolio Holdings as of June 30, 2025:	
U.S. Treasury Securities (Full Faith and Credit)	68.83%
Bank Deposits (Collateralized)	3.19%
Repurchase Agreements (Collateralized)	27.07%
FDIC Insured Bank Deposits	0.91%
	100%
Total District NYCLASS Investment balance as of June 30, 2025:	$ 9,276,093

7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 5,928	$ -	$ -	$ 5,928
Total nondepreciable capital assets	5,928	-	-	5,928
Capital assets that are depreciated:				
Buildings and improvements	30,232,448	-	-	30,232,448
Furniture and equipment	4,871,484	691,738	(14,653)	5,548,569
Total depreciable capital assets	35,103,932	691,738	(14,653)	35,781,017
Less accumulated depreciation:				
Buildings and improvements	(17,728,082)	(762,822)	-	(18,490,904)
Furniture and equipment	(2,728,060)	(477,861)	4,343	(3,201,578)
Total accumulated depreciation	(20,456,142)	(1,240,683)	4,343	(21,692,482)
Total depreciable cost - net	14,647,790	(548,945)	(10,310)	14,088,535
Lease assets, being amortized:				
Equipment	76,769	-	-	76,769
Total lease assets, being amortized	76,769	-	-	76,769
Less accumulated amortization:				
Equipment	(47,747)	(24,230)	-	(71,977)
Total accumulated amortization	(47,747)	(24,230)	-	(71,977)
Total lease assets, being amortized, net	29,022	(24,230)	-	4,792
SBITA assets, being amortized:				
SBITA	23,665	-	-	23,665
Total SBITA assets, being amortized	23,665	-	-	23,665
Less accumulated amortization:				
SBITA	(6,705)	(4,733)	-	(11,438)
Total accumulated amortization	(6,705)	(4,733)	-	(11,438)
Total SBITA assets, being amortized, net	16,960	(4,733)	-	12,227
Total capital assets, net	$ 4,699,700	$ (577,908)	$ (10,310)	$ 14,111,482

7. CAPITAL ASSETS (Continued)

Depreciation and amortization expense for the year ended June 30, 2025, was allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 15,113	-
Instruction	819,530	28,963
Pupil transportation	323,526	-
School lunch	82,514	-
Total depreciation/amortization	$ 1,240,683	$ 28,963

8. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General	$ 96,273	$ 1,991	$ -	$ 5,026,087
Special Aid	1,991	71,336	26,087	-
Capital Projects	-	6,810	5,000,000	-
School Lunch	-	18,127	-	-
Total	$ 98,264	$ 98,264	$ 5,026,087	$ 5,026,087

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

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

9. SHORT-TERM DEBT

On June 20, 2025, the District issued a bond anticipation note.

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

Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
6/20/2025	4.500%	$ 4,085,000	$ -	$ (4,085,000)	$ -
6/18/2026	4.000%	-	3,615,000	-	3,615,000
		$ 4,085,000	$ 3,615,000	$ (4,085,000)	$ 3,615,000

Total interest on short-term debt for the year totaled $183,825.

10. LONG-TERM OBLIGATIONS

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

	Balance 7/1/2024 (restated)	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Bonds:					
Serial bonds payable	$ 3,535,000	$ -	$ (1,090,000)	$ 2,445,000	$ 1,010,000
Compensated absences	8,762,874	754,752	-	9,517,626	951,763
Total:	$ 12,297,874	$ 754,752	$ (1,090,000)	$ 11,962,626	$ 1,961,763

Interest on long-term obligations related to serial bonds for the year was composed of:

Interest paid on serial bonds	$ 121,425
Interest paid on leases	1,001
Interest paid on SBITAs	-
Less: Interest accrued in the prior year	(5,059)
Plus: Interest accrued in the current year	2,335
Total interest expense associated with long- term obligations	$ 119,702

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

Bond Issue	Issued	Maturity	Interest Rate	6/30/2025 Balance
2015 Construction Bond	6/15/2015	6/15/2030	2.00-3.00%	$ 1,560,000
2016 Series E Bonds	6/15/2016	6/15/2031	2.00-5.00%	885,000
Total bond issue				$ 2,445,000

The following is a summary of the maturity of long-term indebtedness as of June 30, 2025:

	Principal	Interest	Total
2026	$ 1,010,000	$ 88,550	$ 1,098,550
2027	590,000	104,800	694,800
2028	305,000	33,950	338,950
2029	265,000	21,400	286,400
2030	220,000	10,950	230,950
2031	55,000	2,750	57,750
Totals	$ 2,445,000	$ 262,400	$ 2,707,400

11. LEASES

Lessee Agreements

The District leases various equipment, such as fitness machines and a postage machine. The leases have various inception dates and remaining terms ranging from 12 to 60 months. The leases do not contain renewal options. The interest rate/discount rate associated with the leases that were recorded during GASB 87 implementation in fiscal 2022 is 2.16%. The interest rate on the lease of fitness equipment that was entered into during fiscal 2025 is 3.54%. The total lease liability as of June 30, 2025 is $7,421.

Activity of lease liabilities for the year ended June 30, 2025 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
$ 30,093	$ -	$ (22,672)	$ 7,421	$ 6,899

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

	Principal	Interest	Total
2026	$ 6,899	$ 199	$ 7,098
2027	522	3	525
2028	-	-	-
2029	-	-	-
2030	-	-	-
Totals	$ 7,421	$ 202	$ 7,623

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

SBITA Agreement

The District has one subscription which is considered to be a SBITA. The SBITA has an inception date of February 15, 2023 and a term of 60 months. The SBITA does contain renewal options. The interest rate/discount rate associated with the SBITA is 3.54%, and the total SBITA liability as of June 30, 2025 is $0, as the subscription was prepaid in full at the beginning of the agreement.

13. PENSION PLANS

New York State Employees' Retirement System

Description of Plan

The District participates in the New York State and Local Employee's Retirement System (ERS). The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS.

ERS benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in 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.

This is a cost-sharing, multiple-employer, defined benefit pension plan. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. GLIP amounts are appropriated to and included in the ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information regarding 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 significant dates shown below are referenced throughout the ERS section of this footnote:

- Fiscal year end – June 30, 2025
- Measurement date – March 31, 2025
- Actuarial valuation date – April 1, 2024

Membership Tiers

Membership, benefits, and employer and employee obligations to contribute are described in the RSSL using the tier concept. Pension legislation established tier membership by the date a member last joined ERS. They are as follows:

ERS

Tier 1	Those persons who last became members of ERS before July 1, 1973.
Tier 2	Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
Tier 3	Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
Tier 4	Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
Tier 5	Those persons who last became members of ERS on or after January 1, 2010, but before April 1, 2012.
Tier 6	Those persons who first became members of ERS on or after April 1, 2012.

13. PENSION PLANS (Continued)

Vesting

All Members are vested when they reach five years of service credit.

Employer Contributions

Participating employers are required under the RSSL to contribute to ERS at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2025 was approximately 15.2 percent of covered payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2025, the applicable interest rate was 5.9 percent. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2025	$ 312,558
2024	$ 248,913
2023	$ 230,242

Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3 percent of their salary to ERS. As a result, of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with ERS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

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

At year end, a net pension liability of $1,139,200 for its proportionate share of the ERS total pension liability was reported. The net pension liability is determined as of the measurement date, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation date. The proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportion was 0.0066442%, which was an increase of 0.0001469% from the proportionate share of 0.0064973% as of the prior year measurement date.

As of the fiscal year end, pension expense of $255,858 was recognized and the deferred outflows/inflows of resources related to pensions from the following sources were reported:

13. PENSION PLANS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 282,757	$ 13,338
Changes of assumptions	47,776	-
Net difference between projected and actual earnings on pension plan investments	89,378	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	24,469	17,921
Contributions subsequent to the measurement date	94,187	-
Total	$ 538,567	$ 31,259

The net amount of the share of balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year End:	
2026	$ 201,647
2027	292,763
2028	(95,560)
2029	14,271
2030	-
Thereafter	-
	$ 413,121

At fiscal year end, $94,187 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date. This outflow will be recognized as a reduction of the net pension liability in the following fiscal year.

Actuarial Assumptions

The total pension liability at the measurement date was determined by using an actuarial valuation as of the actuarial valuation date. Update procedures were used by the actuary to roll forward the total pension liability to be as of the measurement date.

Economic assumptions used in the actuarial valuation date include:

Actuarial cost method	Aggregate Cost Method
Inflation	2.9%
Salary increases	4.3%
Investment rate of return (net of investment expense, including inflation)	5.9%
Active member decrements	1.5%

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

13. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

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

Demographic assumptions used in the actuarial valuation date 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, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

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

Asset Class	Target Allocations in %	Long-term expected rate of return in %
Domestic equity	25.0	3.54
International equity	14.0	6.57
Private equity	15.0	7.25
Real estate	12.0	4.95
Opportunistic/ARS portfolio	3.0	5.25
Credit	4.0	5.40
Real assets	4.0	5.55
Fixed Income	22.0	2.00
Cash	1.0	0.25
	100.0	

Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of Net Pension Liability (asset)	$ 3,296,987	$ 1,139,200	$ (662,554)

13. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (in 000's) of the employers as of the measurement date were as follows:

	ERS
Employers' total pension liability	$247,600,239
Fiduciary net position	230,454,512
Employers' net pension liability	$ 17,145,727
Fiduciary net position as a percentage of total pension liability	93.08%

New York State Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (NYSTRS). NYSTRS is a public employee retirement system (PERS) that was created and exists, pursuant to Article 11 of the New York State Education Law. NYSTRS is the administrator of a cost-sharing, multiple-employer, defined benefit plan, administered by a 10-member Board to Provide pension benefits for teachers employed in New York, excluding New York City. NYSTRS issues a publicly available Annual Comprehensive Final Report. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

The significant dates shown below are referenced throughout the NYSTRS section of this footnote:

- Fiscal year end – June 30, 2025
- Measurement date – June 30, 2024
- Actuarial valuation date – June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1	Members who last joined prior to July 1,1973, are covered by the provisions of Article 11 of the Education Law.
Tier 2	Members who last joined on or after July 1, 1973, and prior to July 27, 1976, are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).
Tier 3	Members who last joined on or after July 27, 1976, and prior to September 1, 1983, are covered by the provisions of Article 14 and Article 15 of the RSSL.
Tier 4	Members who last joined on or after September 1, 1983, and prior to January 1, 2010, are covered by the provisions of Article 15 of the RSSL.
Tier 5	Members who joined on or after January 1, 2010, and prior to April 1, 2012, are covered by the provisions of Article 15 of the RSSL.
Tier 6	Members who joined on or after April 1, 2012, are covered by the provisions of Article 15 of the RSSL.

13. PENSION PLANS (Continued)

Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. The actuarially determined contribution rate applied to 2023-24 salaries is 9.76%. The required contribution is an actuarially determined rate. The contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current plan year and two preceding plan years were:

	TRS
2025	$ 622,472
2024	$ 605,227
2023	$ 566,693

Member Contributions

Tier 3 and Tier 4 members are required by law to contribute 3.0% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3.0% and 6.0% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than five years of credited service for Tiers 3 -6, the member contributions with interest calculated at 5.0% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

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

At fiscal year end, a net pension asset of $996,612 was reported for the proportionate share of the NYSTRS total pension liability. The net pension asset as of the measurement date, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation date. The proportion of the net pension asset was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportionate share was 0.033403%, which was an increase of 0.001557% from the prior measurement date.

13. PENSION PLANS (Continued)

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

For the fiscal year end, pension expense (income) of $566,617 was recognized and deferred outflows/inflows of resources related to pensions from the following sources were reported:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,073,168	$ -
Changes of assumptions	596,176	100,282
Net difference between projected and actual earnings on pension plan investments	-	1,107,320
Changes in proportion and differences between the District's contributions and proportionate share of contributions	95,569	100,026
Contributions subsequent to the measurement date	674,161	-
Total	$ 2,439,074	$ 1,307,628

At fiscal year end, $674,161 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date.

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

Fiscal year ending:	
2025	$ (519,882)
2026	1,219,977
2027	(191,912)
2028	(217,903)
2029	123,622
Thereafter	43,383
	$ 457,285

13. PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability at the measurement date was determined by an actuarial valuation with update procedures used to roll forward the total pension liability to the measurement date, using the following actuarial valuations and assumptions:

Actuarial cost method	Entry age normal	
Inflation	2.40%	
Projected salary increases	Rates for increase differ based on service. They have been calculated based upon recent NYSTRS member experience.	
	Service	Rate
	5	5.18%
	15	3.64%
	25	2.50%
	35	1.95%
Projected COLAs	1.3% compounded annually.	
Investment rate of return	6.95% compounded annually, net of pension plan investment expense, including inflation.	

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

The demographic actuarial assumptions and the salary scales are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions. For the full details, please refer to the Recommended Actuarial Assumptions 2021 Report, which can be found on the System's website located at www.nystrs.org.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* and generally accepted accounting principles. ASAP 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.

13. PENSION PLANS (Continued)

Actuarial Assumptions

The Long-Term Expected Real Rates of Return are presented by asset allocation classify cation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target asset allocation as of the measurement date are summarized in the following table:

Asset Class:	Target Allocation in %	Long-Term Expected Real Rate of Return in %*
Domestic equity	33	6.6
International	15	7.4
Global equity	4	6.9
Real estate equity	11	6.3
Private equity	9	10.0
Domestic fixed income	16	2.6
Global bonds	2	2.5
Private debt	2	5.9
Real estate debt	6	3.9
High-yield bonds	1	4.8
Cash equivalents	1	0.5
	100	

*Real rates of return are net of pension plan investment expenses and long-term inflation expectations.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate 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 those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

1% Decrease 5.95%	Current Discount 6.95%	1% Increase 7.95%
$ 4,603,406	$ (996,612)	$ (5,706,377)

13. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (in 000's)

The components of the current year net pension liability (asset) of the participating employers as of measurement date are as follows:

Total pension liability	$ 142,837,826
Plan fiduciary net position	145,821,434
Net pension liability (asset)	$ (2,983,608)
Plan fiduciary net position as a percentage of total pension liability	102.1%

Payables to the Pension Plans

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	June 30, 2025
ERS Liability	$ 110,909
TRS Liability	$ 780,840

14. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Plan Description

The District's defined benefit Other Postemployment Benefits Plan (the OPEB Plan) provides coverage to retired employees and their survivors in accordance with the mandated provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by the employees who elect coverage under the Act and the District incurs no direct costs. Through special agreement, the District transfers 100% of coverage of the cost of premiums to an insurance company, which currently provides healthcare insurance for 30 retirees and 13 retiree spouses.

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

14. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

Benefits Provided
The special agreements the District offers for health insurance benefits to retirees state that for administrators, teachers and support staff who retire from the District, they will receive a cash value retirement benefit calculated on their accumulated sick days, not to exceed the maximum per their individual or group contract, multiplied by their daily rate at retirement, as per contract. This benefit is only for the cost of hospitalization and dental insurance and there will be no cash settlement. In the event of the death of the retiree, the surviving spouse will receive the remainder of the cash value for the cost of hospitalization insurance until the benefit is exhausted. Once this benefit is exhausted the District retirees may continue to belong to the health insurance program at their own cost. The District cost of these health benefits for retirees is determined by the value of unused sick time at retirement. The District has fully funded the estimated future cost in the amount of $6,286,026, which is reported in the employee benefit accrued liability reserve in the General Fund.

Employees Covered by Benefit Terms
As of the July 1, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	43
Active employees	119
Total participants	162

Total OPEB Liability
The District's total OPEB liability of $6,286,026 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs
The total OPEB liability as of June 30, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.40%
Salary Scale	2.40%
Discount Rate	5.20%
Medical/Healthcare Trend Rate	6.80% to 3.80% over 51 years
Cost Method	Entry Age Normal

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

Mortality rates were based on PubT-210 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 headcount-Weighted Mortality Table for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

14. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

Changes in the Total OPEB Liability

Balance at July 1, 2024	$ 6,695,555
Changes for the Year-	
Service cost	374,409
Interest	271,092
Changes in demographic gains or losses	-
Changes in assumptions or other inputs	(707,761)
Benefit payments	(347,269)
Net changes	(409,529)
Balance at June 30, 2025	$ 6,286,026

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

	1% Decrease 4.20%	Current Discount 5.20%	1% Increase 6.20%
Total OPEB Liability	$ 6,835,804	$ 6,286,026	$ 5,789,253

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	$ 5,532,573	$ 6,286,026	$ 7,186,809

14. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $552,941. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 201,252	$ 350,931
Changes of assumptions	250,976	917,649
Total	$ 452,228	$ 1,268,580

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

Fiscal Year Ending June	Amount
2026	$ (92,560)
2027	(92,560)
2028	(92,560)
2029	(118,141)
2030	(157,936)
Thereafter	(262,595)
	$ (816,352)

15. RISK MANAGEMENT

General

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

Workers' Compensation

The District incurs costs related to the Wayne-Finger Lakes Area School Workers' Compensation Plan (Plan) sponsored by Wayne-Finger Lakes BOCES and its component districts. The Insurance Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Ontario, Seneca, Yates, Cayuga and Dundee Counties Board of Cooperative Educational Services with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

15. RISK MANAGEMENT (Continued)

Plan membership is currently comprised of Wayne-Finger Lakes BOCES and twenty-three districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment.

However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance," the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee. The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2025, the Dundee Central School District incurred premiums or contribution expenditures totaling $63,019.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2024 revealed that the Plan is operating at a surplus of $8,879,180. At this time, the District has not been required to make any additional premium payments to fund any funding deficits.

Health Insurance
The District is a participant in the Finger Lakes Area School Health Plan, a public entity risk pool operated for the benefit of individual school districts, BOCES, and community colleges located within the Finger Lakes area. The District pays monthly premiums to the Plan for this health coverage. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling $3,126,945.

Unemployment
District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a reserve to pay these claims. There were no claim and judgment expenditures of this program for the year ended June 30, 2025. The balance of the fund at June 30, 2025 is $1,450,000 and is recorded in the General fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2025, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

16. CONTINGENCIES AND COMMITMENTS

Litigation

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

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.

17. TAX ABATEMENT

The District has multiple real property tax abatement agreements entered into by the Yates and Schuyler County Industrial Development Agencies (IDA's) under Article 18-A of the real property tax law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT).

The following information summarizes the PILOT agreements entered into by the Yates and Schuyler County IDA's relating to the District:

Year Began	Agreement/Property	Total Assessed Value	Abatement Rate	Pivot Taxable Value	School Tax Rate / 1000	Regular Taxable Amount	Pilot Payment Received	Taxes Abated
2023	Frost Wines	$ 2,650,000	-	$ 1,885,300	10.095707	$ 19,033	$ 7,720	$ (11,313)
2005	Finger Lakes Railroad Corp	1,908,700	Varies	1,908,700	10.095707	19,270	19,750	480
2007	Empire Pipeline	12,796,939	Varies	13,061,891	7.470797	97,583	115,794	18,211
2018	Plum Point Lodge	1,077,200	60%	913,920	8.209619	7,503	7,443	(60)
2022	Paco Palace	1,642,400	10%	866,240	8.209619	7,111	7,080	(31)
2007	Empire Pipeline	2,873,964	Varies	2,894,088	9.333858	27,027	17,782	(9,245)
						$ 177,527	$ 175,569	$ (1,958)

The District did not participate in Mortgage and Sales tax abatements granted by the IDAs.

18. RESTATEMENT

Change in Accounting Principle

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. These changes were incorporated in the District's financial statements and had the following effect on the beginning net position of the governmental activities:

	Governmental Activities Net Position
Balance at June 30, 2024 as previously reported	$ 24,454,563
Adjustments:	
Compensated absences liability	(8,762,874)
Balance at July 1, 2024 as restated	$ 15,691,689

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
Real property taxes	$ 5,810,000	$ 5,810,000	$ 5,821,583	$ -	$ 11,583
Other tax items	594,700	594,700	592,739	-	(1,961)
Charges for services	-	-	4,322	-	4,322
Use of money and property	625,000	625,000	1,065,347	-	440,347
Sale of property and compensation for loss	5,000	5,000	17,548	-	12,548
Miscellaneous	76,000	76,000	382,592	-	306,592
State sources	12,107,182	12,107,182	12,231,922	-	124,740
Medicaid reimbursement	60,000	60,000	46,243	-	(13,757)
Total revenue	19,277,882	19,277,882	20,162,296	-	884,414
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	78,338	109,038	38,977	5,000	65,061
Central administration	210,290	219,933	211,124	-	8,809
Finance	472,754	502,854	448,575	28,211	26,068
Staff	112,716	107,102	98,181	-	8,921
Central services	1,353,974	1,513,715	1,347,593	794	165,328
Special items	243,861	259,212	249,117	-	10,095
Total general support	2,471,933	2,711,854	2,393,567	34,005	284,282

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Budgetary Actual
INSTRUCTION:					
Instruction, administration, and improvement	470,796	605,493	576,387	-	29,106
Teaching - regular school	3,848,030	3,865,668	3,788,596	1,405	75,667
Programs for children with handicapping conditions	3,652,425	3,768,578	3,489,738	-	278,840
Occupational education	355,000	350,000	347,634	-	2,366
Teaching - special school	71,227	59,508	50,098	-	9,410
Instructional media	629,634	696,591	640,048	-	56,543
Pupil services	1,100,723	985,599	889,734	1,500	94,365
Total instruction	10,127,835	10,331,437	9,782,235	2,905	546,297
Pupil transportation	1,461,832	1,402,252	1,287,758	-	114,494
Community service	46,300	28,800	23,372	-	5,428
Employee benefits	5,408,152	5,130,632	4,264,255	-	866,377
Debt service	2,072,965	2,072,965	1,865,250	-	207,715
Total expenditures	21,589,017	21,677,940	19,616,437	36,910	2,024,593
Excess (deficiency) of revenue over expenditures	(2,311,135)	(2,400,058)	545,859	(36,910)	2,909,007
OTHER FINANCING SOURCES (USES):					
Transfers out	(32,500)	(5,039,902)	(5,026,087)	-	13,815
Total other financing uses	(32,500)	(5,039,902)	(5,026,087)	-	13,815
CHANGE IN FUND BALANCES	$ (2,343,635)	$ (7,439,960)	(4,480,228)	$ (36,910)	$ 2,922,822
FUND BALANCE - beginning of year			22,509,448		
FUND BALANCE - end of year			$ 18,029,220		

DUNDEE CENTRAL SCHOOL DISTRICT

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

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability											
Service cost	$ 374	$ 380	$ 372	$ 398	$ 439	$ 345	Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as information becomes available.				
Interest	271	238	222	151	148	202					
Effect of demographic gains or losses	-	254	-	(597)	-	-					
Changes in assumptions	(708)	(145)	23	(297)	25	600					
Benefit payments	(347)	(378)	(327)	(328)	(293)	(295)					
Total change in total OPEB liability	(410)	349	290	(673)	319	852					
Total OPEB liability - beginning	6,696	6,347	6,057	6,730	6,411	5,559					
Total OPEB liability - ending	$ 6,286	$ 6,696	$ 6,347	$ 6,057	$ 6,730	$ 6,411					
Covered-employee payroll	$ 6,054	$ 6,054	$ 6,260	$ 6,260	$ 6,512	$ 6,512					
Total OPEB liability as a percentage of covered-employee payroll	103.8%	110.6%	101.4%	96.8%	103.3%	98.4%					

Notes to schedule:

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

Discount rate	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as information becomes available.

With this valuation, the medical trend, salary scale and inflation assumptions were updated to better reflect anticipated future experience. The combined impact of these assumption changes was a decrease in the Accrued Liability of about $0.1 million (1.0%).

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

DUNDEE CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.007%	0.006%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%
Proportionate share of the net pension liability (asset)	$ 1,139	$ 957	$ 1,430	$ (555)	$ 7	$ 1,761	$ 481	$ 233	$ 639	$ 1,111
Covered-employee payroll	$ 2,287	$ 2,147	$ 2,201	$ 2,177	$ 2,113	$ 2,128	$ 2,052	$ 2,227	$ 2,127	$ 2,020
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	49.80%	44.57%	64.97%	-25.49%	0.33%	82.75%	23.44%	10.46%	30.04%	55.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.033%	0.032%	0.033%	0.034%	0.033%	0.032%	0.031%	0.034%	0.035%	0.035%
Proportionate share of the net pension liability (asset)	$ (997)	$ 364	$ 626	$ (5,975)	$ 918	$ (839)	$ (566)	$ (261)	$ 372	$ (3,605)
Covered-employee payroll	$ 6,053	$ 5,882	$ 5,783	$ 5,852	$ 5,641	$ 5,393	$ 5,100	$ 5,448	$ 5,361	$ 5,412
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-16.47%	6.19%	10.82%	-102.10%	16.27%	-15.56%	-11.10%	-4.79%	6.94%	-66.61%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%

DUNDEE CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 313	$ 249	$ 230	$ 316	$ 281	$ 280	$ 276	$ 314	$ 307	$ 337
Contributions in relation to the contractually required contribution	313	249	230	316	281	280	276	314	307	337
Contribution deficiency (excess)	$ -	$	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,287	$ 2,147	$ 2,201	$ 2,177	$ 2,113	$ 2,128	$ 2,052	$ 2,227	$ 2,127	$ 2,020
Contributions as a percentage of covered-employee payroll	13.69%	11.60%	10.45%	14.52%	13.30%	13.16%	13.45%	14.10%	14.43%	16.68%

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 622	$ 605	$ 567	$ 558	$ 500	$ 573	$ 500	$ 638	$ 711	$ 914
Contributions in relation to the contractually required contribution	622	605	567	558	500	573	500	638	711	914
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 6,054	$ 5,882	$ 5,783	$ 5,852	$ 5,641	$ 5,393	$ 5,100	$ 5,448	$ 5,361	$ 5,412
Contributions as a percentage of covered-employee payroll	10.27%	10.29%	9.80%	9.54%	8.86%	10.62%	9.80%	11.71%	13.26%	16.89%

SUPPLEMENTARY INFORMATION

DUNDEE CENTRAL SCHOOL DISTRICT

Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Miscellaneous Special Revenue	School Lunch	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ -	$ 300,131	$ 300,131
Cash and cash equivalents - restricted	113,868	-	113,868
Accounts receivable	-	327	327
Due from Federal and State Governments	-	36,368	36,368
Prepaid expenditures	-	1,818	1,818
Inventory	-	23,014	23,014
Total assets	$ 113,868	$ 361,658	$ 475,526
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	$ -	$ 1,013	$ 1,013
Accrued liabilities	-	5,588	5,588
Due to other funds	-	18,127	18,127
Due to other governments	-	171	171
Due to Employees' Retirement System	-	6,166	6,166
Unearned revenue	-	1,818	1,818
Total liabilities	-	32,883	32,883
FUND BALANCES:			
Nonspendable -			
Prepaid items	-	1,818	1,818
Inventory	-	23,014	23,014
Restricted	113,868	303,943	417,811
Total fund balances	113,868	328,775	442,643
Total liabilities and fund balances	$ 113,868	$ 361,658	$ 475,526

The accompanying notes are an integral part of these statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Combining Statement of Revenue, Expenditures, and Change in Fund Balance - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Miscellaneous Special Revenue	School Lunch	Total Nonmajor Governmental Funds
REVENUE:			
Use of money and property	$ -	$ 161	$ 161
Miscellaneous	78,740	256	78,996
State sources	-	44,594	44,594
Federal sources	-	448,881	448,881
Sales	-	23,990	23,990
Total revenue	78,740	517,882	596,622
EXPENDITURES:			
Instruction	77,229	-	77,229
Employee benefits	-	64,886	64,886
Cost of sales	-	483,285	483,285
Total expenditures	77,229	548,171	625,400
CHANGE IN FUND BALANCE	1,511	(30,289)	(28,778)
FUND BALANCE - beginning of the year	112,357	359,064	471,421
FUND BALANCES - end of year	$ 113,868	$ 328,775	$ 442,643

The accompanying notes are an integral part of these statements.

OTHER INFORMATION (UNAUDITED)

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)

For the Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget		$ 21,621,517
Add: Prior year's encumbrances		96,323
Original budget		21,717,840
Budget revisions		5,000,002
Final budget		$ 26,717,842

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter-approved expenditure budget	$ 22,736,160	
Maximum allowed (4% of 2025-26 budget)		$ 909,446
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Total fund balance:	$ 18,029,220	
Less:		
Restricted fund balance	16,541,950	
Assigned fund balance:		
Appropriated for subsequent year's expenditures	250,000	
Nonspendable	305,891	
Other assigned purposes	36,910	
Total adjustments	$ 17,134,751	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		$ 894,469
Actual percentage		3.93%

* 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.

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited)
June 30, 2025

Capital assets, net	$ 14,111,482
Deduct:	
Bond anticipation notes	(3,615,000)
Less: Unspent BAN proceeds	957,641
Short-term portion of bonds payable	(1,010,000)
Long-term portion of bonds payable	(1,435,000)
Short-term portion of leases	(6,899)
Long-term portion of leases	(522)
Net investment in capital assets	$ 9,001,702

REQUIRED REPORT

Bonadio & Co., LLP
Accounting, Consulting & More

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

October 9, 2025

To the Board of Education of the
Dundee Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dundee Central School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 9, 2025.

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

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

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

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(Continued)

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

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

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