PRELIMINARY OFFICIAL STATEMENT DATED MAY 24, 2023

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the School District, under existing statutes 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 the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, 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 designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$6,485,000

CARTHAGE CENTRAL SCHOOL DISTRICT

JEFFERSON and LEWIS COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$6,485,000 Bond Anticipation Notes, 2023

(the "Notes")

Dated: June 26, 2023 **Due: June 26, 2024**

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

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

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District. The Notes will be issued in denominations of $5,000 or multiples thereof. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of an approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel to the District, 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 agreed upon with the purchaser, on or about June 26, 2023.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on May 31, 2023 no later than 11:30 A.M. EDT. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. No bid will be received after the time for receiving bids specified above. 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.

June __, 2023

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 BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES AS DESCRIBED IN THE RULE, SEE "CONTINUING DISCLOSURE" HEREIN.

CARTHAGE CENTRAL SCHOOL DISTRICT
JEFFERSON AND LEWIS COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

SEAN MCHALE
President

ANNE M. ROHR
Vice President

ERIN BOSHART
ROBERT SLIGAR
JONATHAN SCHELL
GARRY SCHWARTZ

* * * * * * * * *

JENNIFER L. PREMO
Superintendent of Schools

LISA SMITH
Assistant Superintendent for Business

COREY MOSHIER
School District Treasurer

GEORGE SHAFFER, BOCES
School District Attorney

KELLY O'CONNOR
School District Clerk

FERRARA FIORENZA PC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized by Carthage 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 Carthage Central School District.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

CARTHAGE CENTRAL SCHOOL DISTRICT

JEFFERSON and LEWIS COUNTIES, NEW YORK

Relating To

$6,485,000 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page and appendices, has been prepared by the Carthage Central School District, Jefferson and Lewis Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $6,485,000 Bond Anticipation Notes, 2023 (the “Notes”).

The factors affecting the School 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 School 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 School 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 School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the District’s overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See “MARKET AND RISK FACTORS - COVID-19” herein.

THE NOTES

Description of the Notes

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

The Notes will be dated June 26, 2023 and will mature, without option of prior redemption, on June 26, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser.

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

No Optional Redemption

The Notes shall not be 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 the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on June 3, 2019 authorizing the issuance of $31,504,810 bonds and notes to finance a capital improvement project consisting of the construction of addition to the Carthage High School and Middle School and renovations, reconstruction, alterations and improvements of the District's Black River Elementary School, Carthage Elementary School, West Carthage Elementary School, Carthage High School, including athletic field, track and artificial turf improvements, Carthage Middle School, including athletic field, basketball and playground improvements and the Transportation Center at a maximum estimated cost of $34,504,810 (the "Capital Project").

The proceeds of the Notes will be used to redeem a $2,954,071 portion of $24,437,665 bond anticipation notes maturing June 27, 2023 with the balance of the Note proceeds providing $3,530,929 in new money for the Capital Project.

A $21,483,594 portion of $24,437,665 outstanding bond anticipation notes maturing June 27, 2023 will be redeemed at maturity with $20,000,000 net proceeds of serial bonds issued through the Dormitory Authority of the State of New York ("DASNY") expected to be delivered on June 15, 2023 together with $1,483,594 available funds of the District.

NATURE OF THE OBLIGATION

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

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, subject to applicable statutory limitations.

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

If the book-entry form is initially chosen by the purchaser 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 of the Notes upon issuance and later discontinued, the following provisions will apply:

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

THE SCHOOL DISTRICT

General Information

The District, with an area of approximately 270 square miles is located in Jefferson and Lewis Counties about 18 miles from the City of Watertown. The District includes the Towns of Champion, LeRay, Rutland and Wilna in Jefferson County, Croghan, Denmark, and Diana in Lewis County and the incorporated Villages of Black River, Carthage, Deferiet, Herrings and West Carthage.

The stable economy of the District is based on its diversified industry. In addition to being a well-known dairy farming area, the District is noted for wooden specialty products, paper folding boxes, fiber shipping drums, paper making machinery, granite and memorial monuments and industrial chemicals, as well as the location for the U.S. Army's Fort Drum (see "Fort Drum" herein).

Source: District officials.

District Population

The 2021 estimated population of the District is 18,048. (Source: U.S. Census Bureau, 2017-21 American Community Survey 5-Year Estimates).

Fort Drum

Fort Drum is the home of the 10th Mountain Division (Light Infantry). Fort Drum occupies a 107,265-acre tract in the eastern part of Jefferson County, including parts of the towns of Antwerp, Leray, Philadelphia, and Wilna. The military reservation also extends east into the town of Diana in Lewis County. Several villages in Jefferson County are on the border of Fort Drum: Antwerp, Black River, Carthage, Evans Mills, and Philadelphia. The nearest city is Watertown, New York, located 13 miles to the southwest, which is the service and shopping destination for Fort Drum personnel. Fort Drum's mission includes commanding active component units assigned to the installation, providing administrative and logical support to tenant units, providing support to tenant units, providing support to active and reserve units from all services in training at Fort Drum, and planning and providing support for mobilization and training of almost 80,000 troops annually. Fort Drum continues to be recognized as one of the most ready and capable installations supporting Forces Command (FORSCOM).

Fort Drum is the largest employer in the region with 15,079 active-duty military, 28,177 transient/rotational military and 3,755 civilians (including contractors) working on or near the installation. Fort Drum provides support to over 16,269 dependents (family members) as well as 20,166 retirees/dependents and 726 retiree survivors. Annually, Fort Drum offers training and base operations support to more than 26,500 Reserve and National Guard members as well as personnel from other federal, state, and local agencies. Fort Drum, a Department of the Army (DA) designated Regional Collective Training Center, provides full spectrum training and base operations support to all the service branches, 11 states, and parts of Canada.

Fort Drum's economic impact for Federal Fiscal Year ("FFY") 2022 was approximately $1.610 billion, an increase of 4.6% from FFY 2021. The increase is due primarily to more construction spending and a 2.7% cost-of-living increase for military and civilian workers. Total military, Civilian, contractor, and retiree payroll for FFY 2021 was $1,274,546,370.

School districts throughout Jefferson, Lewis & St. Lawrence Counties received over $30.8 million in Federal Impact Aid because of Fort Drum. Unlike many other installations, Fort Drum does not have a federally funded school, and affiliated children attend local schools within the tri-county area. Of the 13,159 children enrolled locally, 1,206 are Military children. Military children comprise 9% of the total local student population, with a single district high of 63.35% of the population.

Source: Fort Drum's 2022 Economic Impact Statement.

Federal Impact Aid

As of the 2022-23 fiscal year, approximately 60% of the District's student population are military connected. This density enables the School District to take advantage of Federal sources of aid under the Elementary and Secondary Education Act of 1965, as amended (Every Student Succeeds Act). In general, to be eligible for this Federal Impact Aid, a local school district must educate at least 400 such children in average daily attendance, or the federally connected children must make up at least 3 percent of the school district's total average daily attendance. School districts must conduct a "first count" student survey each year to identify the number of federally-connected students. School districts must then submit an application directly to the U.S. Department of Education by January 31 containing the results of the "first count."

Federal Impact aid, when combined with State aid and local real property tax contributions, provides the basis for a large portion of School District's financial standing. For the 2022 fiscal year, approximately 72.3% of District-wide funding was derived from State sources and 14.6% from Federal sources. 13.1% was derived from general tax revenue with the remainder from earnings, use of property and reimbursements for a range of services provided by the District.

The District has and continues to be as conservative as possible regarding its reliance on projected Federal Aid, especially in light of Federal Sequestration under the Budget Control Act of 2011. Under the act all non-discretionary appropriations may be cut, across-the-board, if there is no agreement on fiscal controls to control the Federal deficit. There can be no assurance that Federal aid will continue at current levels. A reduction in Federal aid could have a material adverse impact upon the District. (See "Federal Aid Revenues" herein).

Other Factors Bearing on School District Operations

As a result of the State settling the NYSER (New Yorkers for Students' Educational Rights) lawsuit, NYS Foundation Aid is to be fully funded by 2023-24. This will result of an increase of approximately $5.7 million to the District in Foundation Aid, an increase of 17.6%. The District also received federal stimulus funding in the form of Coronavirus Response and Relief Supplemental Appropriations Act (December 2020 Stimulus) and American Rescue Plan Act (March 2021 Stimulus). This equates to approximately $12 million for the District to combat learning loss and recoup costs from COVID. These funds are available until September of 2024.

Five Largest Employers

Name	Type	Employees
Fort Drum	US Army	20,557 (1)
Samaritan Medical Center	Hospital	2,455
New York State	Government	1,900
County of Jefferson	Government	830
Carthage Central School District	Education	624

(1) This amount includes military and civilians. Due to military deployment, the actual number of personnel is frequently changing.

Unemployment Rate Statistics

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

Annual Average

	2016	2017	2018	2019	2020	2021	2022
Jefferson County	6.3%	6.5%	5.5%	5.3%	8.4%	5.1%	4.0%
Lewis County	6.8%	6.6%	5.5%	5.3%	7.4%	5.1%	4.0%
New York State	4.9%	4.6%	4.1%	3.9%	9.8%	7.0%	4.3%

2022-23 Monthly Figures

	2022							**2023**				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Jefferson County	3.5%	3.8%	4.0%	3.3%	3.1%	3.9%	4.3%	5.4%	5.0%	4.5%	3.3%	N/A
Lewis County	3.3%	3.6%	3.7%	2.8%	2.7%	3.5%	4.4%	5.9%	5.7%	5.3%	3.7%	N/A
New York State	4.1%	4.3%	4.2%	3.6%	3.7%	3.8%	3.8%	4.6%	4.5%	4.0%	3.7%	N/A

Note: Unemployment rates for the month of May 2023 are not available as of the date of this Official Statement.

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

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
Towns of:						
Champion	$ 15,951	$ 21,795	$ 28,697	$ 41,415	$ 47,034	$ 70,392
Croghan	13,408	21,230	27,552	39,267	47,868	63,958
Denmark	14,960	20,917	27,377	45,046	48,988	69,250
Diana	15,916	21,149	30,678	39,563	46,343	72,434
LeRay	14,140	17,940	24,634	33,806	40,836	58,687
Rutland	14,919	22,677	27,851	38,906	57,679	70,500
Wilna	13,556	20,994	27,720	35,022	54,140	70,250
Counties of:						
Jefferson	16,202	21,823	29,892	39,296	51,834	70,928
Lewis	14,971	20,970	29,207	39,287	49,554	68,540
State of:						
New York	23,389	30,948	43,208	51,691	67,405	97,731

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2017-2021 American Community Survey data.

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 is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures and Recent Budget Votes

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

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

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "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 School District to exceed the Tax Cap also must receive at least 60% voter approval.

Recent Budget Vote Results

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 186 yes to 43 no. The adopted budget included a total tax levy increase of 0.0%, which was within the District's Tax Cap of 0.2% for the 2022-23 fiscal year.

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 260 yes to 73 no. The adopted budget included a total tax levy increase of 0.0%, which was within the District's Tax Cap of 0.04% for the 2023-24 fiscal year.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Savings Accounts or Money Market Accounts of designated banks authorized to do business in New York State, (2) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, (3) Demand Deposit in a bank or trust company located in and authorized to do business in New York State, (4) Direct obligations of New York State, (5) Repurchase Agreements involving the purchase and sale of direct obligations of the United States (Direct Treasury Obligations only: T-Bills, notes or bonds), with third party collateral custodian and (6) revenue anticipation notes or tax anticipation notes of other School Districts (with the approval of the State Comptroller).

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 2023-24 fiscal year, approximately 79.5% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

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

President Biden has signed into law the American Rescue Plan, a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional $1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $8,950,851 of ARP funds and $2,949,831 of CRRSA funds. As of June 30, 2022, the District has received its allocations of ARP and CRRSA funds in full.

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2023-24 preliminary building aid ratios, the District expects to receive State building aid of approximately 98.0% 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:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6% and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increased the minimum community schools funding amount from $75,000 to $100,000. This ensured all high-need districts across the State could apply the funds to a wide-range of activities.

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

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

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

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

State Aid Litigation

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

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

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

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2022-23 and 2023-24 fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 62,660,765	$ 41,144,187	65.66%
2018-2019	72,457,123	42,929,765	59.25
2019-2020	65,080,542	44,098,865	67.76
2020-2021	62,319,251	43,386,107	69.62
2021-2022	59,814,563	43,243,291	72.30
2022-2023 (Budgeted)	60,482,204 (1)	48,381,962	79.99
2023-2024 (Budgeted)	62,604,529 (1)	49,800,375	79.55

(1) Does not include appropriated fund balance.

Source: 2017-18 through and including the 2021-22 audited financial statements of the District and 2022-23 and 2023-24 adopted budgets (unaudited) of the District. This table is not audited.

Federal Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2022-23 and 2023-24 fiscal years comprised of Federal aid.

Fiscal Year	Total Revenues	Total Federal Aid	Percentage of Total Revenues Consisting of Federal Aid
2017-2018	$ 62,660,765	$ 13,945,659	22.26%
2018-2019	72,457,123	21,698,232	29.95
2019-2020	65,080,542	13,478,866	20.71
2020-2021	62,319,251	11,749,182	18.85
2021-2022	59,814,563	8,749,479	14.63
2022-2023 (Budgeted)	60,482,204 (1)	4,962,879 (2)	8.21
2023-2024 (Budgeted)	62,604,529 (1)	4,965,000 (2)	7.93

(1) Does not include appropriated fund balance.

(2) The District conservatively budgets for Federal Impact Aid due to the complexities and uncertainties involved in trying to predict future impact aid.

Source: 2017-18 through and including the 2021-22 audited financial statements of the District and 2022-23 and 2023-24 adopted budgets (unaudited) of the District. This table is not audited.

School District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Carthage Elementary	PreK-4	597	1975, '87, '04
Black River Elementary	PreK-4	864	1928, '88, '04
Great Bend	Alt. Ed	189	1950, '04
West Carthage Elementary	PreK-4	639	2001, '04
Carthage Middle School	5-8	716	1975, '95, '07, ‘22
Carthage Senior High School(1)	9-12	963	1958, '83, '02, '07, ‘22

(1) District Offices are located in this School building.

Source: District officials.

Enrollment Trends

The table below presents the District’s historic and projected enrollment for Pre-K through Grade 12.

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-19	3,230	2023-24	3,055
2019-20	3,192	2024-25	3,100
2020-21	2,890	2025-26	3,100
2021-22	3,042	2026-27	3,100
2022-23	3,032	2027-28	3,100

Note: The actual number of students enrolled during the school year may vary due to status of military deployments, and possible family relocations during deployments.

Source: District officials.

Employees

The District employs a total of approximately 583 full-time and 60 part-time employees, not including substitutes or coaches. Employees are represented by various unions as follows:

Members	Union Representation	Contract Expiration Date
359	Carthage Teachers' Association (NYSUT Affiliate)	June 30, 2027
241	Carthage School Related Personnel (NYSUT Affiliate)	June 30, 2026
14	Carthage District Office Personnel	June 30, 2026
12	Carthage Administrators' Association	June 30, 2027
5	Carthage Association of Middle Level Managers	June 30, 2024
4	Carthage District Administrative Support Staff	June 30, 2027

(1) Currently under negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally 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 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%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to make contributions to the Retirement Systems at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2023-24 fiscal years are as follows:

Fiscal Year Ending	ERS	TRS
2018-2019	$ 1,036,001	$ 2,136,101
2019-2020	1,100,771	1,889,738
2020-2021	1,107,432	2,060,328
2021-2022	998,456	2,072,158
2022-2023	1,363,126	2,662,538
2023-2024 (Budgeted)	1,400,000	2,700,000

Source: District officials.

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

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2018-19 to 2023-24) is shown below:

Fiscal Year	ERS	TRS
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76*

* Estimated. The TRS Retirement Board is expected to adopt the final 2023-24 employer contribution rate at its July 26, 2023 board meeting.

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

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

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

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

The District is not participating 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, includes 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. As of the fiscal year ending June 30, 2021, the School District has established a TRS reserve fund.

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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Aquarius Capital to calculate its actuarial valuations under GASB 75. The following table outlines the changes to the Total OPEB Liability during the 2021 and 2022 fiscal years, by source.

Balance beginning at:	July 1, 2020	July 1, 2021
	$ 143,443,755	$ 170,857,682
Changes for the year:		
Service cost	6,373,335	6,170,580
Interest on total OPEB liability	3,454,257	3,523,491
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	-
Changes in Assumptions or other inputs	21,338,063	4,747,814
Benefit payments	(3,751,728)	(4,539,182)
Net Changes	$ 27,413,927	$ 9,902,703
Balance ending at:	**June 30, 2021**	**June 30, 2022**
	$ 170,857,682	**$ 180,760,385**

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

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.

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

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

Financial Statements

The School District retains independent Certified Public Accountants, Stackel & Navarra, C.P.A., P.C. to prepare its audited financial statements. The last audit report covers the fiscal year ending June 30, 2022. A copy of the report is attached to this Official Statement as APPENDIX - E. Certain financial information of the School District can be found attached as Appendices to the Official Statement.

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

Beginning with the fiscal year ending June 30, 2003, the School 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 School District is in compliance with 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.

The State Comptroller's office released an audit report of the District on August 1, 2014. The purpose of the audit was to examine the District's financial condition for the period July 1, 2012 through December 31, 2013. Key finding and recommendations of the audit report are summarized below:

<u>Key Findings</u>

- District officials have consistently overestimated expenditures and increased the tax levy.
- The District ended the 2012-13 fiscal year with an unexpended surplus balance of almost $13 million, more than 23% of the following year's appropriations.
- The Board did not adopt written policies governing the establishment and use of reserve funds, and the balances in two of the funds are higher than necessary.

<u>Key Recommendations</u>

- Develop and adopt budgets that include realistic estimates for appropriations and unexpended surplus funds.
- Develop a plan for the use of excess unexpended surplus funds.
- Develop a comprehensive policy for establishing and using reserve funds, assess current reserve levels and take action to reduce current levels to appropriate levels, if overfunded.

The State Comptroller's office released its most recent audit report of the District on July 27, 2018. The purpose of the audit was to Determine whether the Board and District officials adequately managed the District's financial condition for the period July 1, 2016 through November 30, 2017. Key finding and recommendations of the audit report are summarized below:

<u>Key Findings:</u>

- Unrestricted fund balance at the end of 2016- 17 was $6.2 million or 9.9 percent of the next year's budget – more than double the statutory limit.
- District officials underestimated Impact Aid revenues by an average of $5.9 million (68 percent) each year from 2014-15 to 2016-17.
- The District's budgets included appropriated fund balance that was not used as planned to fund operations.

<u>Key Recommendations:</u>

- Develop a plan to reduce the amount of unrestricted fund balance to comply with the statutory limit.
- Adopt budgets with realistic revenue estimates and discontinue the practice of appropriating fund balance that will not be used.
- Update long-term plans to include more realistic estimates of Impact Aid.

The District provided responses to the State Comptroller's for each of the audit reports. A copy of the complete reports and the District's responses can be found via the website of the Office of the New York State Comptroller.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past 2017-18 through 2021-22 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	0.0
2018	No Designation	0.0

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

Other Information

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

The School has complied with the procedure for the validation of the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the School District.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2019	2020	2021	2022		2023
Towns of:						
Champion	$ 264,334,589	$ 266,169,452	$ 268,450,543	$ 282,090,975		$ 285,450,484
Croghan	20,759,620	95,985,792	20,960,523	21,282,746		21,383,368
Denmark	42,794,472	73,842,265	42,684,620	44,319,700		45,462,581
Diana	10,953,275	10,975,649	11,074,001	11,489,403		11,793,448
LeRay	78,163,498	20,970,799	96,221,317	96,311,956		104,761,485
Rutland	73,303,130	42,527,109	74,468,438	123,450,274	(1)	125,735,684
Wilna	303,287,249	292,374,690	296,399,662	299,585,570		289,245,997
Total Assessed Value	$ 793,595,833	$ 802,845,756	$ 810,259,104	$ 878,530,624		$ 883,833,047
State Equalization Rates						
Towns of:						
Champion	101.00%	100.00%	100.00%	100.00%		100.00%
Croghan	57.00%	57.00%	54.00%	54.00%		52.00%
Denmark	101.00%	100.00%	100.00%	100.00%		95.00%
Diana	100.00%	100.00%	100.00%	100.00%		98.00%
LeRay	100.00%	100.00%	100.00%	100.00%		100.00%
Rutland	61.00%	61.00%	61.00%	100.00%	(1)	98.00%
Wilna	107.00%	100.00%	100.00%	100.00%		100.00%
Total Taxable Full Valuation	$ 833,240,431	$ 902,445,553	$ 875,725,333	$ 896,660,371		$ 908,774,103

(1) Significant change from previous year due to revaluation.

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022		2023
Towns of:						
Champion	$ 8.09	$ 7.61	$ 7.52	$ 7.35		$ 7.25
Croghan	14.33	7.61	13.92	13.61		13.94
Denmark	8.09	12.48	7.52	7.35		7.63
Diana	8.17	7.61	7.52	7.35		7.40
LeRay	8.17	13.35	7.52	7.35		7.25
Rutland	13.39	7.61	12.32	7.35	(1)	7.40
Wilna	7.64	7.61	7.52	7.35		7.25

(1) Significant change from previous year due to revaluation.

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the Counties of Jefferson and Lewis for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Taxes unpaid after October 31st are re-levied at an additional 7% penalty with the Town and County taxes which are due on January 1st and, therefore, such taxes may no longer be paid between October 31st and January 1st.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 6,591,154	$ 6,591,154	$ 6,591,154	$ 6,591,154	$ 6,591,154
Amount Uncollected (1)	593,425	595,847	573,115	533,916	454,705
% Uncollected	9.00%	9.04%	8.70%	8.10%	6.90%

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

Source: District officials.

Ten Largest Taxpayers - 2022 Assessment Roll for 2022-23 District Tax Roll

Name	Type	Taxable Full Valuation
Re-Energy Black River LLC	Utility	$ 19,200,000
Erie Boulevard Hydropower LP (Black River)	Utility	11,218,000
WDC Carthage Associates	Apartments	6,400,000
National Grid Electric Dist. (Jefferson County) LLC	Utility	6,056,810
DC West Carthage Associates, LLC	Apartments	6,000,000
National Grid, Gas Pipeline 64	Utility	5,920,372
Erie Boulevard Hydropower LP (Poors Island)	Utility	5,319,533
National Grid 23149 Howe Road (Jefferson County)	Utility	5,236,398
National Grid Special Franchise (Jefferson County)	Utility	4,118,165
Erie Boulevard Hydropower LP (36152 NYS Rte. 3)	Utility	3,950,000
National Grid (22398 Co. Rte 42)	Utility	3,343,559

The larger taxpayers listed above have a total estimated full valuation of $76,762,837 that represents 8.4% of the tax base of the District.

The School District experiences the impact of tax certiorari filings on a regular basis for which the School District has a tax certiorari reserve to cover known or anticipated liabilities. At this time, the level of tax certiorari filings are within acceptable norms and are not expected to have a material impact on the School District's finances.

Source: District Tax Rolls.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2022-23 and 2023-24 fiscal years comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2017-2018	$ 62,660,765	$ 6,760,282	10.79%
2018-2019	72,457,123	6,793,502	9.38
2019-2020	65,080,542	6,627,734	10.18
2020-2021	62,319,521	6,635,351	10.65
2021-2022	59,814,563	6,635,135	11.09
2022-2023 (Budgeted)	60,482,204 (1)	6,703,373	11.08
2023-2024 (Budgeted)	62,604,529 (1)	6,591,154	10.53

(1) Does not include appropriated fund balance.

Source: 2017-18 through and including the 2021-22 audited financial statements of the District and 2022-23 and 2023-24 adopted budgets (unaudited) of the District. This table is not audited.

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.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. 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 $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

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

The below table lists the basic and enhanced exemption amounts for the 2023-24 school year for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Champion	$ 81,400	$ 30,000	4/6/2023
Croghan	42,330	15,600	4/6/2023
Denmark	77,300	28,500	4/6/2023
Diana	81,400	30,000	4/6/2023
LeRay	81,400	30,000	4/6/2023
Rutland	79,770	29,400	4/6/2023
Wilna	81,400	30,000	4/6/2023

$702,580 of the District's $6,591,154 school tax levy for the 2021-22 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2022.

$659,496 of the District's $6,591,117 school tax levy for the 2022-23 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2023.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-40%, Residential-27%, State Land-13% and Commercial-20%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the District is approximately $1,900 including County, Town or Village, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011 was enacted on June 24, 2011 ("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.

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 federal 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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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

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

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

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

(1) Such obligations are authorized for a purpose for which the 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 has complied with this estoppel procedure in connection with the Notes.

The Board of Education, as the finance board of the School 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 School District, pursuant to the Local Finance Law.

The School District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the School District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. See "TAX LEVY LIMITATION LAW" for a discussion of the limitations on the power of the School District to levy taxes imposed by Chapter 97.

Debt Outstanding End of Fiscal Year

Fiscal Year Ending	2018	2019	2020	2021	2022
Bonds	$ 10,580,000	$ 7,040,000	$ 4,950,000	$ 2,780,000	$ 1,425,000
Bond Anticipation Notes	0	0	4,205,000	15,855,000	24,437,665
Total Debt Outstanding	$ 10,580,000	$ 7,040,000	$ 9,155,000	$ 18,635,000	$ 25,862,665

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District as of May 24, 2023.

Type of Indebtedness	Maturity		Amount
Bonds	June 15, 2023		$ 1,425,000
Bond Anticipation Notes			
Capital Project	June 27, 2023		24,437,665 [1]
		Total Indebtedness	$ 25,862,665

[1] To be redeemed at maturity with a $2,954,071 portion of the proceeds of the Notes and $20,000,000 net proceeds of serial bonds issued through DASNY expected to be delivered on June 15, 2023 together with $1,483,594 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 24, 2023:

Full Valuation of Taxable Real Property			$ 908,774,103
Debt Limit 10% thereof			90,877,410
Inclusions:			
Bonds	$ 1,425,000		
Bond Anticipation Notes	24,437,665		
Total Inclusions		$ 25,862,665	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 25,862,665
Net Debt-Contracting Margin			$ 65,014,745
The percent of debt contracting power exhausted is			28.46%

[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 2023-24 Building Aid Ratios, the School District anticipates State Building aid of 98.0% 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.

Note: On June 15, 2023, the District is expected to receive $35,880,000 net proceeds of serial bonds issued through DASNY which together $2,520,000 available funds of the District will redeem $38,400,000 outstanding bond anticipation notes of the District maturing on June 28, 2023.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in the APPENDIX - B to this Official Statement.

Cash Flow Borrowings

The School District has not issued revenue or tax anticipation notes since 2006 and does not presently anticipate issuing revenue or tax anticipation notes in the foreseeable future.

Capital Project Plans

On May 21, 2019, the qualified voters of the District approved a proposition authorizing a capital improvement project consisting of the construction of addition to the Carthage High School and Middle School and renovations, reconstruction, alterations and improvements of the District's Black River Elementary School, Carthage Elementary School, West Carthage Elementary School, Carthage High School, including athletic field, track and artificial turf improvements, Carthage Middle School, including athletic field, basketball and playground improvements and the Transportation Center (the "Capital Project") at a maximum estimated cost of $34,504,810. The District intends to utilize up to $3,000,000 from the Capital Reserve, with the balance of $31,504,810 to be financed with the issuance of bonds and notes. To date, the District has issued $26,000,000 bond anticipation notes pursuant to the Capital Project authorization, of which $24,437,665 bond anticipation notes are currently outstanding and will mature on June 27, 2023. The proceeds of the Notes will be used to redeem a $2,954,071 portion of $24,437,665 bond anticipation notes maturing June 27, 2023 with the balance of the Note proceeds providing $3,530,929 in new money for the Capital Project. A $21,483,594 portion of $24,437,665 outstanding bond anticipation notes maturing June 27, 2023 will be redeemed at maturity with $20,000,000 net proceeds of serial bonds issued through DASNY expected to be delivered on June 15, 2023 together with $1,483,594 available funds of the District. The District currently plans to redeem the Notes at maturity with the issuance of serial bonds.

The District has no other authorized and unissued indebtedness for capital or other purposes at this time.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Jefferson	12/31/2021	$ 20,399,406	$ 3,499,406	$ 16,900,000	9.48%	$ 1,602,120
Lewis	12/31/2021	7,423,247	-	7,423,247	3.95%	293,218
Town of:						
Champion	12/31/2021	2,798,452	960,102	1,838,350	92.06%	1,692,385
Croghan	12/31/2021	575,470	297,151	278,319	10.57%	29,418
Denmark	12/31/2021	891,988	826,988	65,000	26.65%	17,323
Diana	12/31/2021	-	-	-	5.93%	-
LeRay	12/31/2021	9,622,105	9,622,105	-	17.16%	-
Rutland	12/31/2021	4,886,436	993,233	3,893,203	59.21%	2,305,165
Wilna	12/31/2021	187,770	187,770	-	100.00%	-
Village of:						
Black River	5/31/2022	1,837,387	-	1,837,387	100.00%	1,837,387
Carthage	5/31/2022	1,349,490	1,349,490	-	100.00%	-
Deferiet	5/31/2022	2,554,200	-	2,554,200	100.00%	2,554,200
Herrings	5/31/2022	-	-	-	100.00%	-
West Carthage	5/31/2022	-	-	-	100.00%	-
					Total:	$ 10,331,217

Notes:

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

(2) Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2021 for counties and towns and 2022 for villages.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 24, 2023:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]..	$ 25,862,665	$ 1,432.99	2.85%
Net Indebtedness Plus Net Overlapping Indebtedness [d]............	36,193,882	2,005.42	3.98

(a) The 2021 estimated population of the District is 18,048. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for the District's 2022-23 tax roll is $908,774,103. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
(d) Estimated net overlapping indebtedness is $10,331,217. (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 bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Bond 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.

State Debt Moratorium Law. There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

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

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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. See "NATURE OF THE OBLIGATION" and "State Debt Moratorium Law" herein.

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

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

On March 16, 2022, it was reported by the District that it was the target of a cybercrime incident which resulted in a wire being sent in error in the amount of $759,241. The District immediately reported the crime to the FBI and the State police, and is cooperating with the criminal investigation. After completing an internal investigation of the incident, the District has implemented corrective actions to increase District security, including, but not limited to, certain actions outlined below:

- An external investigation of issue.
- An internal audit to review all wires and ACH transfers.
- Provide corrective action plans suggested by findings from the internal audit.
- Ensure that the corrective action plan is authored by an outside third party.
- Ensure that the corrective action plan is supervised by an outside third party.
- Ensure that the Board of Education is made aware of the progress of implementation of corrective action plan by the third party.

The District has filed a claim with its insurance company and is seeking options to recover the funds. To date, the District has recovered $201,000 from insurance reimbursements.

COVID-19

The COVID-19 outbreak spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the State took steps designed to mitigate the spread and impacts of COVID-19. The state of emergency declaration has since lapsed in the State. The outbreak of the disease affected travel, commerce and financial markets globally and could continue to affect economic growth worldwide. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have been relaxed, and the coronavirus public health emergency expired on May 11, 2023. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State government to address it may negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State and the School District's operations and financial condition may not be known for some time. Any resurgence of COVID-19 or similar variants could have a material adverse effect on the State and municipalities and school districts located in the State, including the School District. The School District continues to monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through its 202-23 fiscal year or for the foreseeable future.

TAX MATTERS

In the opinion of Trespasz & Marquardt, 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 for tax years beginning after December 31, 2022, 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 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 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.

Current and 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. 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 & Marquardt, LLP, Bond Counsel to the District. 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 Notice of certain Material Events, a description of which is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charges 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. (See "APPENDIX-C, MATERIAL EVENT NOTICES" herein.)

The District does not currently have any general obligation bonds rated by S&P Global Ratings or Moody's Investors Service.

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 the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and 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 EMMA. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases 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 & Marquardt, 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 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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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 assumes 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: Ms. Lisa Smith, Assistant Superintendent for Business, 36500 NYS Route 26, Carthage, New York 13619, Phone: (315) 493-5000, Fax: (315) 493-7036, Email: lisasmith@carthagecsd.org.

The District's Bond Counsel information is as follows: Theodore A. Trespasz Jr. Esq., Trespasz & Marquardt, LLP, 251 West Fayette Street, Syracuse, New York 13202, Phone: (315) 466-4444 Ext. 1, Fax: (315) 466-5555, email: ttrespasz@lawtm.com.

CARTHAGE CENTRAL SCHOOL DISTRICT

Dated: May 24, 2023

GARRY SCHWARTZ
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
ASSETS					
Unrestricted Cash	$ 14,034,447	$ 25,555,180	$ 29,410,680	$ 35,436,632	$ 42,008,565
Restricted Cash	10,492,269	10,717,751	7,831,363	8,808,092	8,769,297
State and Federal Aid Receivable	2,000,302	1,948,990	4,021,888	3,476,749	2,905,386
Due from Other Governments	-	-	-	-	-
Due from Fiduciary Funds	-	-	200	-	-
Other Receivables	29,741	6,620	6,083	16,073	304,847
Due from Other Funds	7,298,252	5,236,503	1,877,353	5,783,246	17,327,404
Prepaid Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 33,855,011	$ 43,465,044	$ 43,147,567	$ 53,520,792	$ 71,315,499
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 378,524	$ 506,645	$ 324,980	$ 338,482	$ 386,515
Accrued Liabilities	77,017	-	-	644,891	610,953
Due to Other Governments	-	-	-	-	-
Due to Other Funds	44,633	104,328	6,505	5,495,353	21,096,305
Due to Teachers' Retirement System	2,288,148	2,483,329	2,102,074	2,291,181	2,482,453
Due to Employees' Retirement System	337,910	349,325	385,523	413,338	334,861
Bond Interest and Matured Bonds	-	-	-	-	-
Revenue Anticipation Notes Payable	-	-	-	-	-
Compensated Absences	17,380	17,380	17,380	17,380	17,380
Overpayments	-	-	-	-	-
Deferred/Unearned Revenues	2,837,997	24,246	654,293	14,076	11,354
TOTAL LIABILITIES	$ 5,981,609	$ 3,485,253	$ 3,490,755	$ 9,214,701	$ 24,939,821
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	10,492,269	10,717,751	7,831,363	8,808,092	8,769,297
Assigned	6,086,378	6,181,784	3,779,282	6,245,405	6,852,011
Unassigned	11,294,755	23,080,256	28,046,167	29,252,594	30,754,370
TOTAL FUND EQUITY	$ 27,873,402	$ 39,979,791	$ 39,656,812	$ 44,306,091	$ 46,375,678
TOTAL LIABILITIES and FUND EQUITY	$ 33,855,011	$ 43,465,044	$ 43,147,567	$ 53,520,792	$ 71,315,499

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:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 5,735,184	$ 5,764,508	$ 5,819,177	$ 5,859,235	$ 5,887,550
Other Tax Items	1,025,098	1,028,994	808,557	776,116	747,585
Charges for Services	77,580	56,836	30,142	21,384	34,487
Use of Money & Property	77,206	594,712	438,100	50,399	90,082
Sale of Property and Compensation for Loss	99,518	8,041	14,377	61,648	327,386
Miscellaneous	550,784	367,928	386,909	409,960	605,849
Interfund Revenues	-	-	-	-	-
Medicaid Reimbursement	-	-	-	-	128,854
Revenues from State Sources	41,144,187	42,929,765	44,098,865	43,386,107	43,243,291
Revenues from Federal Sources [(1)]	13,945,659	21,698,232	13,478,866	11,749,182	8,749,479
Total Revenues	$ 62,655,216	$ 72,449,016	$ 65,074,993	$ 62,314,031	$ 59,814,563
Other Sources:					
Interfund Transfers	5,549	8,107	5,549	5,490	-
Total Revenues and Other Sources	$ 62,660,765	72,457,123	65,080,542	62,319,521	59,814,563
EXPENDITURES					
General Support	$ 5,859,776	$ 6,032,120	$ 7,377,346	$ 7,292,279	$ 7,097,081
Instruction	27,467,457	27,838,685	28,444,281	27,861,111	28,743,026
Pupil Transportation	5,176,757	4,928,749	4,704,168	4,664,722	5,141,065
Community Services	-	-	-	-	-
Employee Benefits	13,671,504	14,014,698	14,220,483	14,750,719	14,567,834
Debt Service	4,331,894	4,026,397	3,232,650	2,829,438	2,058,235
Total Expenditures	$ 56,507,388	$ 56,840,649	$ 57,978,928	$ 57,398,269	$ 57,607,241
Other Uses:					
Interfund Transfers	3,454,138	3,510,085	7,424,593	271,973	137,735
Total Expenditures and Other Uses	$ 59,961,526	$ 60,350,734	$ 65,403,521	$ 57,670,242	$ 57,744,976
Excess (Deficit) Revenues Over Expenditures	2,699,239	12,106,389	(322,979)	4,649,279	2,069,587
FUND BALANCE					
Fund Balance - Beginning of Year	23,278,721	27,873,402	39,979,791	39,656,812	44,306,091
Prior Period Adjustments (net)	1,895,442 [(2)]	-	-	-	-
Fund Balance - End of Year	$ 27,873,402	$ 39,979,791	$ 39,656,812	$ 44,306,091	$ 46,375,678

[(1)] A large portion of the District's student population comes from military families due to the presence of Fort Drum. This density enables the District to take advantage of Federal sources of aid, specifically, Heavily Impacted Aid. There is no assurance this Heavily Impacted Aid will continue to be received in the future. See "THE SCHOOL DISTRICT - Federal Impact Aid" in the Official Statement for additional information.

[(2)] The beginning fund balance for the general fund has been restated for long-term debt erroneously included in payables at June 30, 2017. The net effect was to increase the beginning fund balance by $1,895,442.

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:	2022			2023	2024
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 6,591,154	$ 6,591,154	$ 5,887,550	$ 6,591,154	$ 6,591,154
Other Tax Items	40,055	40,055	747,585	112,219	18,000
Charges for Services	28,170	28,170	34,487	28,170	18,000
Use of Money & Property	49,860	49,860	90,082	31,860	29,000
Sale of Property and Compensation for Loss	28,960	28,960	327,386	38,960	10,000
Miscellaneous	350,000	355,000	605,849	335,000	1,083,000
Medicaid Reimbursement	-	90,000	128,854		90,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	45,235,694	45,235,694	43,243,291	48,381,962	49,800,375
Revenues from Federal Sources	7,323,470	7,233,470	8,749,479	4,962,879	4,965,000
Total Revenues	$ 59,647,363	$ 59,652,363	$ 59,814,563	$ 60,482,204	$ 62,604,529
Other Sources:					
Interfund Transfers	5,490	5,490	-	-	-
Total Revenues and Other Sources	$ 59,652,853	$ 59,657,853	$ 59,814,563	$ 60,482,204	$ 62,604,529
EXPENDITURES					
General Support	$ 7,127,186	$ 8,045,072	$ 7,097,081	$ 6,994,977	$ 7,302,950
Instruction	32,276,808	32,048,488	28,743,026	31,817,877	34,187,800
Pupil Transportation	6,397,548	6,405,663	5,141,065	6,299,218	6,638,000
Community Services	-	-	-		
Employee Benefits	16,854,037	16,581,761	14,567,834	17,863,776	18,498,804
Debt Service	2,817,274	2,542,274	2,058,235	3,826,356	2,426,975
Total Expenditures	$ 65,472,853	$ 65,623,258	$ 57,607,241	$ 66,802,204	$ 69,054,529
Other Uses:					
Interfund Transfers	280,000	280,000	137,735	280,000	150,000
Total Expenditures and Other Uses	$ 65,752,853	$ 65,903,258	$ 57,744,976	$ 67,082,204	$ 69,204,529
Excess (Deficit) Revenues Over Expenditures	(6,100,000)	(6,245,405)	2,069,587	(6,600,000)	(6,600,000)
FUND BALANCE					
Fund Balance - Beginning of Year	6,100,000	6,245,405	44,306,091	6,600,000	6,600,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 46,375,678	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	2016 Refunding of 2009 Bonds		
	Principal	Interest	Total
2023	$ 1,425,000	$ 60,500	$ 1,485,500
TOTALS	$ 1,425,000	$ 60,500	$ 1,485,500

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 material event notices described above, 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 OPINION OF BOND COUNSEL

June 26, 2023

Carthage Central School District
36500 NYS Route 26
Carthage, New York 13619

Re: Carthage Central School District, Jefferson and Lewis Counties, New York
$6,485,000 Bond Anticipation Notes, 2023

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $6,485,000 Bond Anticipation Notes, 2023 (the “Notes”) of the Carthage Central School District, Counties of Jefferson and Lewis, State of New York (the “District”). The Notes are dated June 26, 2023 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before June 26, 2023 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, however for tax years beginning after December 31, 2022, 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 & MARQUARDT, LLP

CARTHAGE CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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.

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. The District's independent auditor also has not performed any procedures relating to this Official Statement.

Carthage Central School District
Financial Statements with
Independent Auditors' Report
June 30, 2022

Carthage Central School District
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June 30, 2022

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY BANK BUILDING – 216 WASHINGTON STREET
WATERTOWN, NEW YORK 13601-3336
TELEPHONE 315/782-1220
FAX 315/782-0118

Robert F. Stackel, C.P.A.
Jacob Navarra, C.P.A.
Mark B. Hills, C.P.A.

Independent Auditors' Report

Board of Education
Carthage 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 Carthage Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Carthage Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Carthage Central School District, as of June 30, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Carthage Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole ae free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Carthage Central School District's internal control. Accordingly, no such opinion is expressed.

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

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

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

Change in Accounting Principle

As discussed in Note 3 to the financial statements, in 2022, Carthage Central School District adopted new accounting guidance, GASB No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress - other post-employment benefits – last 5 fiscal years, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, the schedules of District contributions – NYSTRS & NYSERS pension plans – last 8 fiscal years, and the schedules of District's proportionate share of the net pension liability – NYSTRS & NYSERS pension plans – last 8 fiscal years on pages 5-20 and 64-68 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 Carthage Central School District's basic financial statements. The accompanying schedule of change from adopted budget to final budget and the real property tax limit – general fund, net investment in capital assets and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of change from adopted budget to final budget and the real property tax limit – general fund, net investment in capital assets and schedule expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2022, on our consideration of Carthage Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carthage Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carthage Central School's internal control over financial reporting and compliance.

Stackel + Navarra, CPA, PC

Watertown, NY
October 7, 2022

The following is a discussion and analysis of Carthage Central School District's financial performance for the fiscal year ending June 30, 2022. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section. Responsibility for completeness and fairness of the information contained rests with the School District.

OVERVIEW

The School District is governed by a seven-member Board of Education with each member elected to a three-year term.

The School District employs approximately 639 full and part-time professional and support staff. This does not include substitutes, lifeguards, student after-school employees and two coaches who are not regular employees. The 639 employees are organized into six collective bargaining units (Carthage Teachers' Association, Carthage School Related Personnel, Carthage School Administrators' Association, Carthage Association of Mid-Level Managers, Carthage District Office Personnel and Carthage District Administrative Support Staff).

The Carthage Teachers' Association (CTA), The Carthage School Administrators Association (CSAA) and the Carthage District Administrative Support Staff have collective bargaining agreements in place until June 30, 2027. Carthage Association of Mid-Level Managers' contract remains in effect until June 30, 2024. Both the Carthage District Office Personnel contract and Carthage School Related Personnel agreements are in effect until 2026.

FINANCIAL HIGHLIGHTS

The Carthage Central School District is located in Jefferson and Lewis Counties. For the 2021-2022 school year, the enrollment was approximately 3,059 students. Currently for the 2022-2023 school year, the enrollment is 3,049 students. The enrollment naturally fluctuates due to the Fort Drum student population. The School District includes the Towns of Champion, Leray, Rutland, and Wilna in Jefferson County, and Croghan, Denmark, and Diana in Lewis County and the incorporated Villages of Black River, Carthage, Deferiet, Herrings, and West Carthage.

The proximity to Fort Drum has a significant effect on the School District's enrollment. Approximately 42% of the student population comes from military connected students associated with Fort Drum, the home of the Army's 10th Mountain Division (Light Infantry).

The District military enrollment fluctuates with deployments on Fort Drum. Fort Drum is considered one of the more ready and capable installations supporting Forces Command (FORSCOM). Fort Drum is home to more than 30,000 soldiers and family members, and it employs 3,912 civilians. According to the most recent Economic Impact Statement (2020), Fort Drum's population has remained steady and Fort Drum's Economic Impact has increased 8.1%

from FY19. The total cumulative investment of Fort Drum to the surrounding community since data began accumulating in 1988 is $28 billion dollars over that 32-year period with FY 20's impact exceeding 1.4 billion. The percentage of student population associated with Fort Drum has fluctuated over the past several years. The Impact Aid survey results support that trend. Fort Drum students rose from 43% in 2009, to a high of 56% in 2012. Since then, the percentages have stayed slightly above or slightly below 50%. The number decreased slightly for the 2021-22 survey year to 42% military connected students.

The School District receives Federal Impact Aid administered by the United States Department of Education and is directly related to this student population. This is notated in our financial statements and assists in calculating available revenues for the annual school budget document. The Federal Impact Aid received by the District follows the year after the survey of students has been filed. Although the 10th Mountain Division is the most deployed base in the Army, the military enrollment remains somewhat stable.

The District Impact Aid application consists of a review under Section 7003(b)(1) and an application for Heavily Impacted Aid under Section 7003(b)(2). This latter aid stream provides for a greater payment but is subject to several qualifications. They include: meeting a threshold of at least 45% of the District's total student enrollment being federally connected, spending at or below the state or national average per pupil expenditure (whichever is higher) and taxing at least at 95% of the average state tax rate. The assessment reviews three-year-old data when making these determinations. In October, 2017 the District was informed that based on our Fiscal Year 2017 application (school year 2013-2014) we are no longer eligible for Section 7003 (b)(2) payments and we were placed in Hold Harmless status for the past three years. This ineligibility dramatically reduced the District's future revenue stream and makes the timing of future impact aid payments even more uncertain.

The District's revenue assumptions in this area are based not only on historical trends but in a large part on our level of confidence related to the best information we have at that time for impact aid.

The District has completed work at the end of the 2021-2022 school year of the approved capital project that was voted on May 21, 2019. The total budget for that project was $34,504,810 and consisted of the construction of an addition to the Carthage High School and Middle School and renovations, reconstruction, alterations and improvements of the District's Black River Elementary School, Carthage Elementary School, West Carthage Elementary School, Carthage High School, including athletic field, track and artificial turf improvements, Carthage Middle School, including athletic field, basketball and playground improvements and the Transportation Center. Phase IV, the last phase of the project should begin in the summer of 2023.

The District was successful in passing the 2022-2023 budget of $67,082,204 with resounding approval (Yes-186, No-43). This year's budget had a 2.0% increase in spending and no increase in the tax levy as it has been flat for the past four years. That, coupled with a 5.56% tax levy decrease in 2014-2015, a 10.00% decrease in 2015-2016, a 9.39% decrease in 2016-2017 and a 5% decrease in 2017-2018, has had a dramatic impact on our voters.

The District carries a very healthy fund balance in the general fund. Our most recent audit from the NYS Comptroller was in 2018. It cited several areas that the District has focused on to improve its financial position. Those include:

- Pay off long term debt wherever possible. The District refinanced an outstanding bond to reduce long-term debt and pre-paid $2 million toward current debt. These decisions helped to dramatically save funds for the District over time. The benefits will be seen in future budgets for years to come. It is our intention to continue this practice where possible. At this time, we do not have any other callable bonds.

- Make one-time expenditures. We began the practice of paying cash for our buses, vehicles and heavy equipment. We also implemented an appropriation to fund the purchase of classroom furniture, make technology purchases according to existing need and increased security purchases throughout the District.

- Pay cash for our previous capital project. Rather than borrowing, we applied the concept of making one-time expenditures to the payment of our last completed capital project. Over the course of three budgets, we appropriated funds to pay cash for our project. This decision will save the District approximately $2.7 million dollars in interest and closing costs. Note: For the new current capital project, we will be borrowing for a portion of it to take advantage of current low borrowing rates.

- Funding and/or establishing reserve funds. We added funding to various reserve funds including: Employee Benefits, Unemployment and Capital Reserve and created new reserves for Property Loss, Liability and Repairs.

- Reduce property taxes. We steadily reduced taxes over the course of four years. The reduction resulted in a total decrease of $2.4M or 24%. The tax levy increase has remained at 0% over the past four years which has resulted in tax rate decreases.

The report also noted the District's success in budgeting expenditures close to appropriations. The review focused on fiscal years 2014-15 through 2016-17. During that time, we worked to ensure that our appropriations are appropriate by reviewing historical expenses and assessing current needs during the budget development process.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

- The remaining statements are ***fund financial statements*** that focus on ***individual parts*** of the School District, reporting the School District's operations in ***more detail*** than the District-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column. The District had no non-major funds as of June 30, 2022.

- The ***governmental funds*** *statements* tell how basic services such as regular and special education were financed in the ***short term*** as well as what remains for future spending.

- ***Fiduciary funds*** statements provide information about the financial relationships in which the School District acts solely as a ***trustee*** **or** ***agent*** for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. The statements are followed by a section of required supplementary information that further explains and supports the financial statements; the School District's general fund budget, including the original budget and actual amounts, is also included.

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

Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as Scholarship programs
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures and Changes in Fund Balance	5. Statement of Fiduciary Net Assets 6. Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/ deferred outflows of resources/ liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long -term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets deferred outflows of resources (if any) liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/ Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

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

- To assess the School District's overall health, you need to consider additional non-financial factors, such as, changes in the School District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

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

The District has two kinds of funds:

1) **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this

information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

2) **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities exceeded assets by $42,426,413 at the close of the most recent fiscal year. This changed by $18,255,318 from FY20-21.

The largest portion of the School District's total assets reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The School District used capital assets to provide services; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following schedule summarizes the School District's net assets. The complete Statement of Net Position can be found in the School District's basic financial statements.

Condensed Statement of Net Position

	June 30, 2022	June 30, 2021
Assets		
Current & other assets (include deferred)	$ 88,761,224	$ 63,833,935
Capital assets, net	91,423,544	77,934,100
	180,184,768	141,768,035
Deferred Outflows of Resources	24,267,052	41,637,047
Liabilities		
Current liabilities	3,181,729	1,568,825
Long-term liabilities	210,517,817	196,811,784
	213,699,546	198,380,609
Deferred Inflows of Resources	33,178,687	10,345,786
Net Position		
Net investment in capital assets	88,537,485	74,750,785
Restricted	9,378,950	9,471,965
Unrestricted	(140,342,848)	(109,544,063)
Total Net Position	$ (42,426,413)	$ (24,171,095)

Details of net assets are included in the financial statements and are outlined in the Statement of Net Position. In general, current assets are those assets that are available to satisfy current obligations and current liabilities are those liabilities that will be paid within one year. Current assets consist primarily of cash equivalents of $58,652,744 and state and federal aid receivable of $5,289,517.

Current liabilities consist principally of accounts payable ($2,372,560), accrued interest on bonds payable ($10,555), due to other governments ($225), accrued liabilities ($610,953) and unearned revenues ($187,436) that total ($3,181,729).

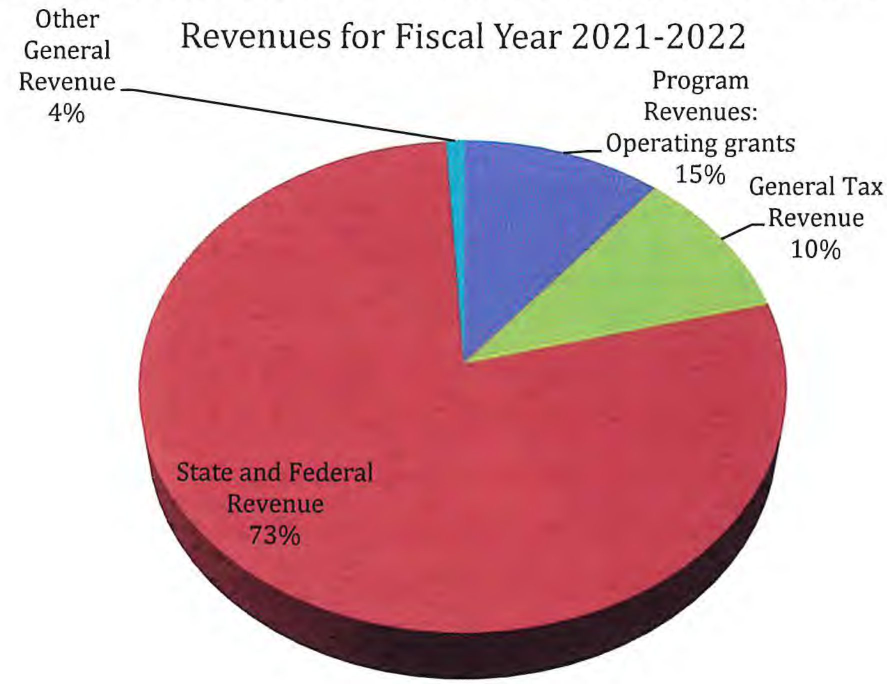
The Statement of Activities (displayed on the next page) shows the cost of program services, net of charges for services and grants offsetting those services. General revenues including tax revenue, investment earnings and unrestricted state and federal aid must support the net cost of the School District's programs.

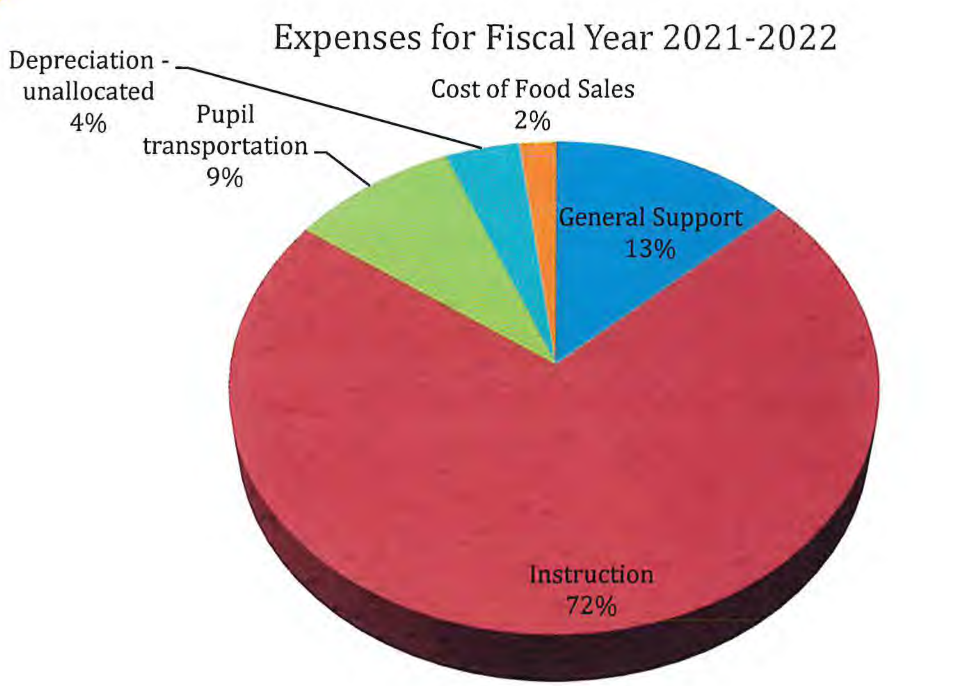
The following schedule summarizes the School District's activities. The complete Statement of Activities can be found in the School District's basic financial statements.

Condensed Statement of Activities

	June 30, 2022	June 30, 2021
Revenues		
Program Revenues		
Charges for services	$ 153,610	$ 48,343
Operating grants	10,684,909	7,720,533
General Revenues		
Property and other tax items	6,635,351	6,635,351
Use of money and property	96,573	53,442
Sale of property and comp. for loss	327,386	61,648
State sources	43,243,291	43,386,107
Federal sources	8,749,479	10,519,359
Other	1,510,868	797,586
Total Revenues	$ 71,401,467	$ 69,222,369
Expenses		
General support	$ 11,216,266	$ 9,917,709
Instruction	64,923,253	54,411,528
Pupil transportation	7,970,826	7,007,221
Debt service - interest	109,849	(9,893)
Depreciation	3,237,967	3,237,510
School lunch program - cost of food sales	2,198,408	1,674,482
Total Expenses	$ 89,656,569	$ 76,238,557
Change in Net Assets	$ (18,255,318)	$ (7,016,188)

The next two graphs detail out the revenues and expenses for 2021-2022, respectively. It is important to note that 73% of revenues come from state and federal revenue while the tax base only makes up 10% of revenues. The majority of expenses (72%) are instructional costs.





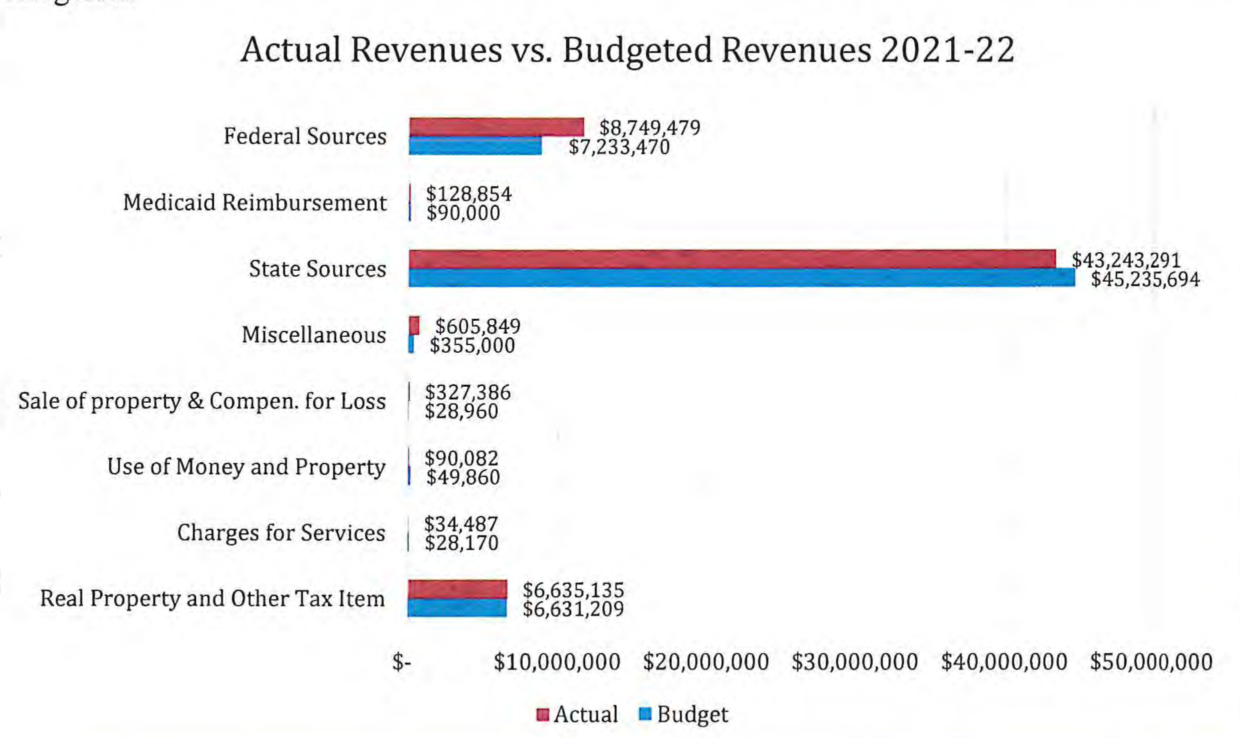
General Fund Highlights

The fund balance in the General Fund showed an increase of $2,069,587. The beginning fund balance was $44,306,091 while the ending was $46,375,678.

The increase was primarily due to the influx of federal stimulus funds as many general fund expenditures were moved to the federal grants. The additional federal funding will lessen the anticipated decrease in fund balance for 2022-2023 as well. The District will increase one-time expenditures in the 2023-2024 budget to offset the additional revenue and lower the unappropriated fund balance.

Revenues

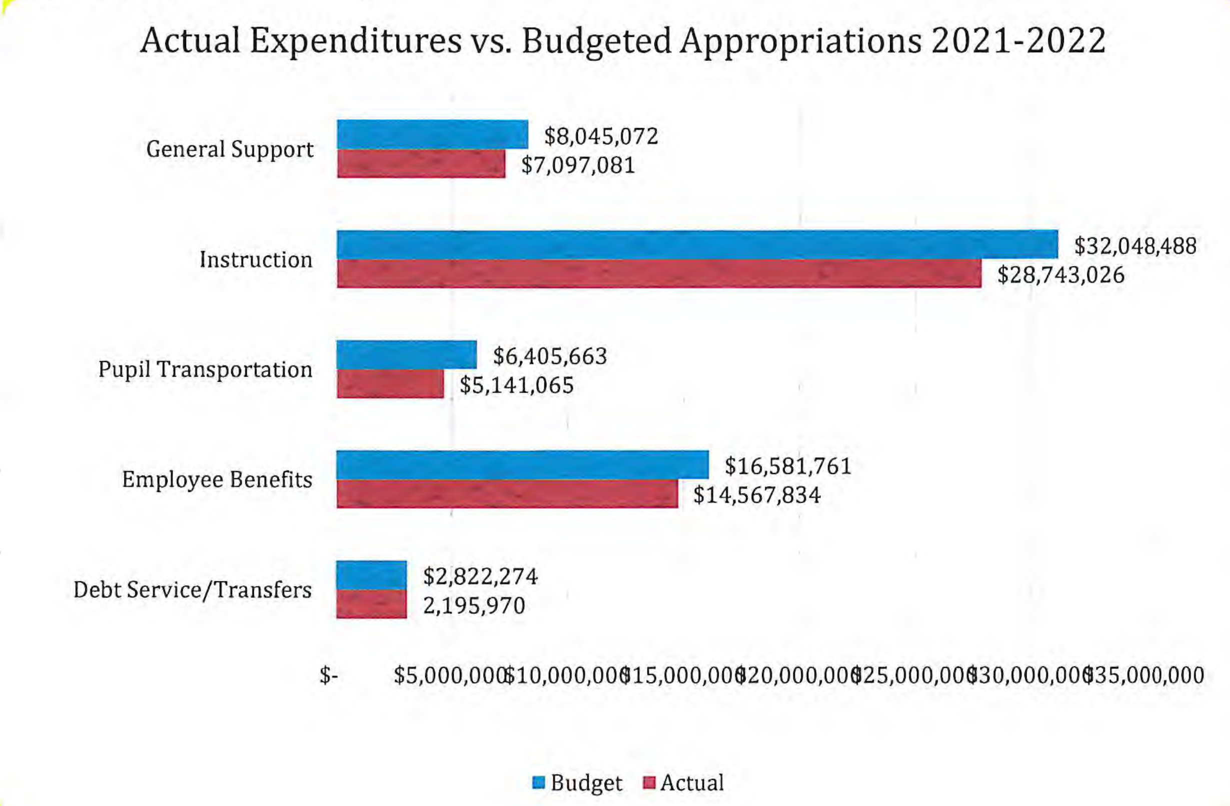
Revenues for the fiscal year 2021-2022 totaled $59,814,563 of which $52,121,624 were from State and Federal sources. Those sources totaled approximately 86% of all revenues. The major source of those revenues was New York State aid at $43,243,291 (down from $43,386,107 last year); Federal Aid was $8,877,958 (down from $11,663,280 last year). Property taxes were $6,635,351 and represent just 10% of General Fund revenues. Charges for services, miscellaneous and sale of properties make up the remainder of all revenues, albeit a very small portion of the total. The graph below compares the final budgeted revenues with actual revenues in eight General Fund categories.



Expenses

The School District's adjusted budget for the 2021-2022 school year was $65,903,258. Actual expenditures totaled $57,744,976 with outstanding encumbrances of $252,011 carried forward into the 2022-2023 year. This resulted in a positive amount of $7,906,271 under budget.

The graph below summarizes in five general categories how the actual expenditures compare to budget amounts.



The major portion of the General Fund expenditures goes directly to the instructional program - $28,743,026 or 49.8% of all expenditures (these expenses do not include instructional related employee benefits).

Other major categories in the General Fund are: General Support, with expenses of $7,097,081 (12.3% of the total budget); the Debt Service Principal and Interest payments and other transfers $2,195,970 (3.4%), Benefits $14,567,834 (25.2%); and Transportation $5,141,065 (8.9%).

Special Aid Fund

The District receives State and Federal grants, with fund-specific academic activities. These grants are written for specific purposes and include reading improvement, staff development, technology improvements and needs related to students with disabilities.

It is important to note that the Title grants have a fiscal year which runs from September 1 to August 31, which differs from the school fiscal year of July 1 to June 30. Therefore, there are funds being spent during the summer months which result in carry over amounts as of the June 30, 2022 school year.

The listing below demonstrates the positive financial impact that the major special aid funds have on our District in alleviating the general fund of potential expenses.

	Revenues June 30, 2022
Title I - ESEA - Basic Grant	$ 775,850
IDEA -Part B- Section 611 and 619	675,357
DOD, Title LLA, IV, and 21st Century	970,580
Education Stabilization Funds	2,505,944
Other local revenues and programs	499,617
Universal Pre-Kindergarten and Summer Handicapped	1,471,192
	$ 6,898,540

School Lunch Fund

The School Food Service Department is currently self-sustaining, and therefore operated with no support from the General Fund during the 2021-2022 school year. Employee benefits for employees were paid completely from the School Lunch Fund in 2021-2022, a practice we are continuing from last school year.

The School Lunch Fund had expenditures of $2,198,408 (up from last year at $1,674,482) and revenues of $2,524,852 (up from $2,287,321). This resulted in a program gain of $326,444. The gain is primarily due to free universal meals which were all reimbursable because of the pandemic waiver. The fund balance is currently $1,600,426. The District will be replacing coolers this summer to spend excess fund balance.

Capital Fund

The District has abandoned its practice of issuing Serial Bonds and Bond Anticipation Notes for the purchase of buses. The 2020-2021 budget included an appropriation to purchase buses using cash from a General Fund rather than using borrowed funds and this practice continued through the 2021-2022 fiscal year. This saves the District interest and closing costs. The intent is to continue to budget for the purchase of buses using cash. Hence, future bus purchases will be made from the General Fund and will not be recorded in the Capital Fund.

On May 21, 2019, the public approved a new Capital Project with a total budget of 34.5 million dollars. Phase I and II of the project has been completed which has included renovations to all 5 of the District buildings including safety and security upgrades, program enhancements and energy efficiency updates. The Great Bend building has closed and the Business Office and Alternate Education Program has relocated to the high school. Phase III is expected to be complete in the spring of 2023 with Phase IV to begin in the summer of 2023. Through the use of budgetary appropriation, capital reserve, and borrowed funds, this capital project is expected to have little to no impact on taxpayers.

Debt Administration

The following is a summary of long-term outstanding bonds and installment purchase debt payable of the School District as of June 30, 2022.

	Amount	Maturity Date	Interest	Description
Serial Bonds	$ 1,425,000	6/15/2023	2-5%	DASNY Refinanced
Total Bonds	$ 1,425,000			

Short term, 1 year BAN (Bond Anticipation Notes) are used as financing for the current capital project. The follow is a summary of the BAN payable of the School District as of June 30, 2022.

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	June 28, 2022	1.00%	$ 15,855,000	$ -	$ (15,855,000)	$ -
BAN	June 27, 2023	3.00%	-	24,437,665	-	24,437,665
			$ 15,855,000	$ 24,437,665	$ (15,855,000)	$ 24,437,665

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- On May 21, 2019, taxpayers approved a 34.5-million-dollar capital improvement project to enhance safety and security, enhance programs and increase energy efficiency. The project has been broken into four phases with phase I and II already complete. Phase III should be complete in the spring of 2023 and Phase IV will begin in the summer of 2023. Through the use of budgetary appropriations and capital reserve funds, there will be little to no impact to the taxpayer.

- The District has received and will continue to receive an influx of federal stimulus monies over the next two years for pandemic relief. As a result, the District is likely to see an increase in fund balance because of the number of general fund expenditures that were shifted to the federal funding. In addition, with the uncertainty of federal impact aid and future State aid increases, the District must maintain a higher than typical fund balance to protect its programs and services for students from future financial challenges. NYS has already hinted at a funding cliff in 2025 when the federal stimulus monies are gone. The District is committed to retiring outstanding debt, making one-time equipment purchases, and establishing reserves to reduce excessive fund balance. However, The District believes that the statutory limit of 4% is insufficient to protect the District from unexpected revenue shortfalls.

- Following the 2020 school closure and the 2020-2021 hybrid/remote model of instruction, many of the District's students experienced significant learning loss, which could have a negative impact on achieving its mission. The District has implemented summer school and extended day programs to combat this learning loss.

- Carthage, like many school Districts across the state, is experiencing a shortage of bus drivers, certified teachers and substitute teachers. This also threatens the mission of the District as the District tries to prepare students to meet the challenges of college and/or career.

- In October, 2017 the District was informed that based on the Fiscal Year 2017 application (school year 2013-2014) that the District was no longer eligible for Section 7003 (b)(2) payments (heavily impacted aid) and were placed in Hold Harmless status moving forward. This ineligibility will dramatically reduce the District's future revenue stream and makes the timing of future impact aid payments even more uncertain. An example of this uncertainty is the District receiving an unexpected Hold Harmless payment of 6 million in 2018-19. This payment was not expected until the 2019-2020 fiscal year. The unpredictable nature of Federal aid forces the District to budget conservatively and continually plan for potential decreases in aid in the future. We are now off of Hold Harmless status from that initial placement and will continue to see decreases in Impact Aid.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Lisa K. Smith, Assistant Superintendent for Business
Email: lisasmith@carthagecsd.org
Phone: (315) 493-5130
Mail: Carthage Central School District, 36500 NYS Route 26, Carthage, New York 13619.

Carthage Central School District
Statement of Net Position
Governmental Activities
June 30, 2022

Assets		
Cash		
Unrestricted	$ 49,296,034	
Restricted	9,356,740	
Receivables		
State and Federal aid	4,984,670	
Other	304,847	
Inventories	29,164	
Land, buildings and equipment (net)	90,183,437	
Right-to-use assets (net)	1,240,107	
Net pension asset - proportionate share	24,789,769	
Total Assets		$ 180,184,768
Deferred Outflows of Resources		
Pensions	19,519,238	
Other postemployment benefits	4,747,814	
Total Deferred Outflows of Resources		$ 24,267,052
Liabilities		
Payables		
Accounts payable	2,372,560	
Accrued liabilities	610,953	
Due to other governments	225	
Accrued interest on bonds payable	10,555	
Unearned revenues	187,436	
Long-term liabilities		
Due and payable within one year		
Due to teachers' retirement system	2,482,453	
Due to employees' retirement system	334,861	
Bond anticipation note payable	24,704,635	
Bonds payable, net	1,645,952	
Compensated absences payable	17,380	
Due and payable after one year		
Compensated absences payable	572,151	
Other postemployment benefits payable	180,760,385	
Total Liabilities		$ 213,699,546

See Notes to Financial Statements.

Carthage Central School District
Statement of Net Position
Governmental Activities
June 30, 2022

Deferred Inflows of Resources		
Pensions	33,178,687	
Total Deferred Inflows of Resources		$ 33,178,687
Net Position		
Net investment in capital assets	88,537,485	
Restricted		
Debt service	587,443	
Capital	4,511,420	
Other legal restrictions	4,280,087	
Unrestricted	(140,342,848)	
Total Net Position		$ (42,426,413)

See Notes to Financial Statements.

Carthage Central School District
Statement of Activities and Changes in Net Position
Governmental Activities
For the Year Ended June 30, 2022

Statement #2

		Program Revenues		
	Expenses	Charges for Services	Operating & Capital Grants	Net (Expense) Revenues and Changes in Net Position
Functions/Programs				
General support	$ 11,216,266	$ -	$ 1,881,463	$ (9,334,803)
Instruction	64,923,253	34,487	6,398,923	(58,489,843)
Pupil transportation	7,970,826	-	-	(7,970,826)
Debt service - interest expense	109,849	-	-	(109,849)
Depreciation - unallocated	3,237,967	-	-	(3,237,967)
School lunch program	2,198,408	119,123	2,404,523	325,238
Total Functions and Programs	$ 89,656,569	$ 153,610	$ 10,684,909	(78,818,050)
General Revenues				
Real property taxes				5,887,550
Other tax items				747,585
Use of money and property				96,573
Sale of property and compensation for loss				327,386
Miscellaneous				1,382,014
State sources				43,243,291
Medicaid reimbursement				128,854
Federal sources				8,749,479
Total General Revenues				60,562,732
Change in Net Position				(18,255,318)
Total Net Position - Beginning of year, as restated				(24,171,095)
Total Net Position - End of year				$ (42,426,413)

See Notes to Financial Statements.

Carthage Central School District
Balance Sheet
Governmental Funds
June 30, 2022

	General	Special Aid	School Lunch	Capital	Debt Service	Miscellaneous Special Revenue	Total Governmental Funds
Assets							
Cash and cash equivalents							
Unrestricted	$ 42,008,565	$ 100,426	$ 1,155,389	$ 5,834,082	$ -	$ 197,572	$ 49,296,034
Restricted	8,769,297	-	-	-	587,443	-	9,356,740
Receivables							
State and Federal aid	2,905,386	1,630,240	449,044	-	-	-	4,984,670
Due from other funds	17,327,404	37,570	-	20,772,791	266,970	366	38,405,101
Other	304,847	-	-	-	-	-	304,847
Inventories	-	-	29,164	-	-	-	29,164
Total Assets	$ 71,315,499	$ 1,768,236	$ 1,633,597	$ 26,606,873	$ 854,413	$ 197,938	$ 102,376,556
Liabilities							
Payables							
Accounts payable	$ 386,515	$ 302,908	$ 26,946	$ 1,656,191	$ -	$ -	$ 2,372,560
Accrued liabilities	610,953	-	-	-	-	-	610,953
Due to other funds	21,096,305	1,289,246	6,000	16,013,550	-	-	38,405,101
Due to other governments	-	-	225	-	-	-	225
Bond anticipation note payable	-	-	-	24,437,665	-	-	24,437,665
Due to teachers' retirement system	2,482,453	-	-	-	-	-	2,482,453
Due to employees' retirement system	334,861	-	-	-	-	-	334,861
Compensated absences	17,380	-	-	-	-	-	17,380
Unearned credits							
Unearned revenues	11,354	176,082	-	-	-	-	187,436
Total Liabilities	24,939,821	1,768,236	33,171	42,107,406	-	-	68,848,634
Fund Balances							
Nonspendable	-	-	29,164	-	-	-	29,164
Restricted	8,769,297	15,905	6,305	-	587,443	-	9,378,950
Assigned	6,852,011	-	1,564,957	-	266,970	197,938	8,881,876
Unassigned	30,754,370	(15,905)	-	(15,500,533)	-	-	15,237,932
Total Fund Balances	46,375,678	-	1,600,426	(15,500,533)	854,413	197,938	33,527,922
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 71,315,499	$ 1,768,236	$ 1,633,597	$ 26,606,873	$ 854,413	$ 197,938	$ 102,376,556

See Notes to Financial Statements.

Carthage Central School District
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2022

	Total Governmental Funds	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Assets				
Cash				
Unrestricted	$ 49,296,034	$ -	$ -	$ 49,296,034
Restricted	9,356,740	-	-	9,356,740
Receivables				
State and Federal aid	4,984,670	-	-	4,984,670
Due from other funds	38,405,101	-	(38,405,101)	-
Other	304,847	-	-	304,847
Inventories	29,164	-	-	29,164
Land, buildings and equip. (net)	-	90,183,437	-	90,183,437
Right-to-use assets (net)	-	1,240,107	-	1,240,107
Ne pension asset - proportionate share	-	24,789,769	-	24,789,769
Total Assets	$ 102,376,556	$ 116,213,313	$ (38,405,101)	$ 180,184,768
Deferred Outflows of Resources				
OPEB (GASB 75)	-	4,747,814	-	4,747,814
Pensions	-	19,519,238	-	19,519,238
Total Deferred Outflows of Resources	$ -	$ 24,267,052	$ -	$ 24,267,052
Liabilities				
Payables				
Accounts payable	$ 2,372,560	$ -	$ -	$ 2,372,560
Accrued liabilities	610,953	-	-	610,953
Due to other funds	38,405,101	-	(38,405,101)	-
Due to other governments	225	-	-	225
Accrued interest on bonds payable	-	10,555	-	10,555
Unearned revenues	187,436	-	-	187,436
Long-term liabilities				
Due and payable within one year				
Due to teachers' retirement system	2,482,453	-	-	2,482,453
Due to employees' retirement system	334,861	-	-	334,861
Bond anticipation note payable	24,437,665	266,970	-	24,704,635
Bonds payable, net of unamortized premiums	-	1,645,952	-	1,645,952
Compensated absences payable	17,380	-	-	17,380
Due and payable after one year				
Compensated absences payable	-	572,151	-	572,151
Other postemployment benefits payable	-	180,760,385	-	180,760,385
Total Liabilities	$ 68,848,634	$ 183,256,013	$ (38,405,101)	$ 213,699,546
Deferred Inflows of Resources				
Pensions	-	33,178,687	-	33,178,687
Total Deferred Inflows of Resources	$ -	$ 33,178,687	$ -	$ 33,178,687
Total Fund Balance/Net Position				
Total Fund Balance/Net Position	$ 33,527,922	$ (90,680,227)	$ 14,725,892	$ (42,426,413)
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	$ 102,376,556	$ 125,754,473	$ (23,679,209)	$ 204,451,820

See Notes to Financial Statements.

Carthage Central School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General	Special Aid	School Lunch	Capital	Debt Service	Miscellaneous Special Revenue	Total Governmental Funds
Revenues							
Real property taxes	$ 5,887,550	$ -	$ -	$ -	$ -	$ -	$ 5,887,550
Other tax items	747,585	-	-	-	-	-	747,585
Charges for services	34,487	-	-	-	-	-	34,487
Use of money and property	90,082	-	1,081	4,472	938	-	96,573
Sale of property and compensation for loss	327,386	-	-	-	-	-	327,386
Miscellaneous	605,849	499,617	125	-	-	276,423	1,382,014
State sources	43,243,291	1,471,192	43,503	1,881,463	-	-	46,639,449
Medicaid reimbursement	128,854	-	-	-	-	-	128,854
Federal sources	8,749,479	4,927,731	2,252,788	-	-	-	15,929,998
Surplus food	-	-	108,232	-	-	-	108,232
Sales - school lunch	-	-	119,123	-	-	-	119,123
Total Revenues	59,814,563	6,898,540	2,524,852	1,885,935	938	276,423	71,401,251
Expenditures							
General support	7,097,081	-	942,756	-	-	247,193	8,287,030
Instruction	28,743,026	6,214,650	-	-	-	-	34,957,676
Pupil transportation	5,141,065	72,285	-	-	-	-	5,213,350
Employee benefits	14,567,834	698,651	221,401	-	-	-	15,487,886
Debt service							
Principal	1,772,335	-	-	-	-	-	1,772,335
Interest	285,900	-	-	-	-	-	285,900
Cost of sales	-	-	1,034,251	-	-	-	1,034,251
Capital outlay	-	-	-	15,214,026	-	-	15,214,026
Total Expenditures	57,607,241	6,985,586	2,198,408	15,214,026	-	247,193	82,252,454
Excess (Deficiency) of Revenues Over Expenditures	2,207,322	(87,046)	326,444	(13,328,091)	938	29,230	(10,851,203)
Other Financing Sources and Uses							
Premium on BAN	-	-	-	-	266,970	-	266,970
BANS redeemed from appropriations	-	-	-	417,335	-	-	417,335
Operating transfers in	-	87,045	-	50,690	-	-	137,735
Operating transfers out	(137,735)	-	-	-	-	-	(137,735)
Total Other Financing Sources (Uses)	(137,735)	87,045	-	468,025	266,970	-	684,305
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	2,069,587	(1)	326,444	(12,860,066)	267,908	29,230	(10,166,898)
Fund Balance (Deficit) - Beginning of year, as restated	44,306,091	1	1,273,982	(2,640,467)	586,505	168,708	43,694,820
Fund Balance (Deficit) - End of year	$ 46,375,678	$ -	$ 1,600,426	$ (15,500,533)	$ 854,413	$ 197,938	$ 33,527,922

See Notes to Financial Statements.

Carthage Central School District
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances			$ (10,166,898)
Amounts reported for governmental activities in the Statement of Activities are different because:			
(Increases) decreases in accrued compensated absences reported in the statement of activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.			(57,864)
On the Statement of Activities, the actual and projected long-term expenditures for postemployment benefits are reported, whereas, on the governmental funds, only the actual expenditures are recorded for postemployment benefits.			(26,492,952)
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.			
Teachers' Retirement System	$	3,658,406	
Employees' Retirement System		1,084,932	4,743,338
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt payments made in the current period.			1,088,030
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest reported in the Statement of Activities is decreased by the reduction in accrued interest on bonds and amortization of premium on bond issue.			176,051
Governmental funds report capital outlays as expenditures. However, in the statement of activities, asset with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
Capital outlays	$	17,293,926	
Depreciation expense		(5,000,565)	12,293,361
In the statement of activities, the gain/loss on the disposal of assets is reported as an increase/decrease in the financial resources. Thus the change in net position differs from the change in fund balance by the net book value of the assets disposed.			(44,023)

See Notes to Financial Statements.

Carthage Central School District
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2022

Governmental funds report capital outlays under a right to use agreement for a period of time as expenditures. However, in the statement of activities, right to use assets are reported separately at cost, net of amortization over the period of use of the assets.

Right-to-use assets	$	524,729	
Amortization expense		(319,090)	205,639

Changes in Net Position of Governmental Activities	$ (18,255,318)

See Notes to Financial Statements.

1 – Summary of significant accounting policies:

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

A. Reporting entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in a miscellaneous special revenue fund.

B. Joint venture:

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

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

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

During the year, the District was billed $5,312,688 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $2,946,444. This represents state aid distributions of $2,653,537 and 2021 fund balance returned to schools of $292,907.

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

C. Basis of presentation:

1. 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 revenues, 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 revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Funds statements:

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

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources such as Federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition and school store operations or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by government that provide the funds or by outside parties. The special revenue funds classified as major are:

Special Aid Fund: Used to account for special operating projects or programs supported in whole or in part with Federal funds or State or Local grants.

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

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

Miscellaneous Special Revenue Funds: These funds are used to account for transactions of activities for which the District has administrative control, but the activities are not part of the District's operations. Included in the miscellaneous special revenue funds are the extraclassroom activity funds, the scholarship funds, athletic accounts, the backpack program funds, and other smaller miscellaneous funds.

D. Measurement focus and basis of accounting:

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State Aid, 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 State Aid is recognized in the fiscal year it is appropriated by the State. 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 collectible within 90 days after the end of the fiscal year as it matches the liquidation of related obligations. Property taxes are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pensions, and other post-employment 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 capital leases are reported as other financing sources.

E. Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1, 2021 and become a lien on August 16, 2021. Taxes are collected during the period September 1, 2021 to October 31, 2021.

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.

F. Restricted resources:

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

G. Interfund transactions:

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. 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). Eliminations have been made for all interfund receivables and payables between the 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 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. 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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures 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.

I. Cash (and cash equivalents):

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

J. Accounts receivable:

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.

K. Inventories and prepaid items:

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

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

L. Capital assets:

Capital assets are reported at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. 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	5,000	SL	20-50 years
Furniture and equipment	5,000	SL	5-30 years

The School District does not possess any infrastructure.

M. Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. First is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual or expected experience.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. The item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

N. Unearned credits:

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 the resources, the liability for unearned revenue is removed and revenue is recorded.

O. Vested employee benefits:

Compensated absences

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

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

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

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

P. Other benefits:

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

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

Q. Short-term debt:

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

The District may issue Bond Anticipation Notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

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

Interest paid	$ 158,550
Less interest accrued in the prior year	(1,303)
Plus interest accrued in the currrent year	8,034
Total expense	$ 165,281

Bond Anticipation Notes

The following is a summary of changes in short-term debt for the year ended June 30, 2022:

Balance, July 1	$ 15,855,000
Increases	9,000,000
Decreases	(417,335)
Balance, June 30	$ 24,437,665

R. 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, other postemployment benefits payable, and compensated absences that will be paid from governmental funds are reported as a liability in the fund's financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the 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.

S. Equity classifications:

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction, or 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 the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

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

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of $29,164.

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

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 Worker's 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 the fiscal year, excess amounts may either be transferred to another reserve or the excess applied to appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

Unemployment Insurance Payment Reserve Fund

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.

Retirement Contributions Reserve Fund

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.

Liability Claims and Property Loss Reserve Funds

According to Education Law §1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required and these reserves may not exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population under 125,000. This reserve is accounted for in the General Fund.

Tax Certiorari

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

Employee Benefit Accrued Liability
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 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.

Capital Reserve Fund
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. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

Repair Reserve Funds
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.

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 School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

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

Restricted fund balance includes the following:

General Fund:	
Workers' Compensation	$ 525,829
Unemployment Insurance	309,711
Retirement Contributions - ERS	1,157,331
Retirement Contributions - TRS	874,391
Property Loss	175,108
Liability	52,150
Tax Certiorari	381,377
Employee Benefit Accrued Liability	261,140
Capital	4,511,420
Repairs	520,840
Debt Service Fund	587,443
Encumbrances - School Lunch Fund	6,305
Encumbrances - Special Aid Fund	15,905
Total Restricted Funds	$ 9,378,950

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2022.

Assigned – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $252,011. Appropriated fund balance in the General Fund amounted to $6,600,000. Any remaining fund balance in other funds is considered assigned. The School Lunch Fund reports assigned fund balance of $1,564,957, the Debt Service Funds reports assigned fund balance of $266,970, and the Miscellaneous Special Revenue Fund reports assigned fund balance of $197,938. As of June 30, 2022, the District's General Fund encumbrances were classified as follows:

General support	$ 160,718
Instruction	55,385
Pupil transportation	35,908
Total	$ 252,011

Unassigned – 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 a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Net Position/Fund Balance

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Order or Use of Fund Balance: The District's policy is to apply expenditures against non-spendable 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, non-spendable 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 assigned or 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.

T. Implementation of New Accounting Standards:

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB). At June 30, 2022, the District implemented the following new standards issued by GASB.

GASB has issued Statement No. 87 – *Leases*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022. This standard had no significant impact on the District.

GASB has issued Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022. This standard had no significant impact on the District.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates* (paragraphs 11b, 13 and 14), effective for the year ending June 30, 2022. This standard had no significant impact on the District.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, and paragraph 5 were effective as of June 30, 2020).

U. Future Changes in Accounting Standards:

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

2 – Explanation of certain differences between fund statements and District-wide statements:

Due to the differences in the measurement focus and basis of accounting used in the fund's 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 District-wide statements, compared with the current financial resources focus of the governmental funds.

A) 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 primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

B) Statement of Revenues, Expenditures, and Changes in Fund Balances vs. Statement of Activities:

Differences between the funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

1. Long-term revenue and expense differences:

   Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues 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.

2. Capital related differences:

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

3. Long-term debt transaction differences:

   Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest 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.

4. Pension differences:

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

5. 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.

3 – Changes in Accounting Principles

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of the statement establishes criteria for recognizing lease commitments. See note 17 for the financial statement impact of the implementation of the statement.

4 – Stewardship, compliance and accountability:

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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 Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the current year:

a) Additional revenue sources designated for specific uses - $5,000

Budgets are adopted annually on a basis consistent with GAAP. 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, 2022.

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

Encumbrances

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

The portion of the District's fund balance subject to the New York Real Property Tax §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include decreasing property taxes to be collected, paying for items out of appropriations instead of reserves and paying for items such as buses and capital expenditures out of appropriations instead of incurring debt.

The capital projects fund had a deficit fund balance of $15,500,533. This will be funded when the District obtains permanent financing for its current construction project.

5 – Cash (and cash equivalents) – custodial credit, concentration of credit, interest rate and foreign currency risks:

Cash

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

Uncollateralized	$ -
Collaterized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 59,526,398

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 $9,356,740 restricted for various fund balance reserves in the governmental funds.

Deposits

Deposits are valued at cost- or cost-plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2022 all deposits were fully insured and collateralized by the District's agent but not in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the business administrator of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest-bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities

6 – Capital assets:

Capital asset balances and activity were as follows:

Governmental Activities	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital assets that are not depreciated:				
Land	$ 210,756	$ -	$ -	$ 210,756
Construction in progress	6,949,183	15,163,335	-	22,112,518
Total non-depreciable assests	7,159,939	15,163,335	-	22,323,274
Capital assets that are depreciated:				
Buildings and improvements	106,688,501	50,690	-	106,739,191
Furniture and equipment	15,895,057	2,079,900	(1,958,665)	16,016,292
Total depreciable assests	122,583,558	2,130,590	(1,958,665)	122,755,483
Less accumulated depreciation				
Buildings and improvements	42,204,217	2,627,959	-	44,832,176
Furniture and equipment	9,605,180	2,372,606	(1,914,642)	10,063,144
Total accumulated depreciation	51,809,397	5,000,565	(1,914,642)	54,895,320
Total depreciated assets, net	70,774,161	(2,869,975)	(44,023)	67,860,163
Total capital assets, net	$ 77,934,100	$ 12,293,360	$ (44,023)	$ 90,183,437

7 – Right-to-Use Assets

The District is in possession of assets that it paid for the right-to-use over a period of time. All of the assets under the right-to-use agreement were paid for during the past five years, in full, during the year the right-to-use agreement began for a particular asset. The amount is amortized over five years, the number of years each asset item is to be used under the right-to-use agreement. A summary of the assets purchased by year; less accumulated amortization is summarized as follows:

Fiscal year obtained	Cost	Prior amortization	Current amortization	Total amortization	Net
6/30/2018	$ 455,104	$ 273,062	$ 91,021	$ 364,083	$ 91,021
6/30/2019	430,797	172,319	86,159	258,478	172,319
6/30/2020	577,982	115,598	115,596	231,194	346,788
6/30/2021	131,562	-	26,312	26,312	105,250
6/30/2022	524,729	-	-	-	524,729
Total	$ 2,120,174	$ 560,979	$ 319,088	$ 880,067	$ 1,240,107

8– Short-Term Debt

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

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/28/2022	1.00%	$ 15,855,000	$ -	$(15,855,000)	$ -
BAN	6/27/2023	3.00%	-	24,437,665	-	24,437,665
			$ 15,855,000	$ 24,437,665	$(15,855,000)	$ 24,437,665

9 – Long-term debt obligations:

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

Noncurrent liability balances and activity are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation debt:					
Serial bond	$ 2,780,000	$ -	$ (1,355,000)	$ 1,425,000	$ 1,425,000
Premium on bonds	403,316	-	(182,364)	220,952	115,279
Total bonds and notes payable	$ 3,183,316	$ -	$ (1,537,364)	$ 1,645,952	$ 1,540,279
Other liabilities:					
Compensated absences	$ 514,287	$ 57,864	$ -	$ 572,151	$ -
Other postemployment benefits	170,857,682	9,902,703	-	180,760,385	-
Net pension liability-proportionate share	3,563,849	-	(3,563,849)	-	-
Total other liabilities	$174,935,818	$ 9,960,567	$ (3,563,849)	$ 181,332,536	$ -

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

Existing serial and statutory bond obligations:

Description	Issue Date	Final Maturity	Interest Rate	Balance
Serial bond - refunding	5/27/2016	6/15/2023	2.0 - 5.0%	$ 1,425,000
Total				$ 1,425,000

The following is a summary of debt service requirements:

	Principal	Interest	Total
2023	$ 1,425,000	$ 60,500	$ 1,485,500
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2032	-	-	-
Total	$ 1,425,000	$ 60,500	$ 1,485,500

Advance Refunding

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account asset and the liability for the defeased bonds are not included in the District's financial statements. $1,425,000 of bonds outstanding is considered defeased.

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

Interest paid	$	127,350
Less interest accrued in the prior year		(5,306)
Plus interest accrued in the current year		2,521
Add net amortization of bond premium/deferred charges on refunding		(179,997)
Total expense (revenue)	$	(55,432)

10 – Pension Obligations:

New York State Teachers' Retirement System (TRS) and New York State and Local Employees' Retirement System (ERS) (the Systems).

Plan Descriptions and Benefits Provided

Teacher' Retirement System

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

Employees' Retirement System (ERS)

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

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

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required and were as follows:

Contributions	TRS	ERS
2021-2022	$ 2,290,930	$ 1,253,870
2020-2021	2,102,128	1,166,073
2019-2020	2,483,329	1,172,155

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

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

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of June 30, 2021 for TRS and March 31, 2022 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Measurement date	6/30/2021	3/31/2022
Net pension asset/(liability)	$ 22,415,208	$ 2,374,561
District's portion of the Plan's total net pension asset/(liability)	0.12935%	0.02905%

For the year ended June 30, 2022, the District recognized its proportionate share of pension expense (credit) of $(1,243,680) for TRS and $90,459 for ERS. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	$ 3,089,699	$ 179,829	$ 116,457	$ 233,248
Change of assumptions	7,372,831	3,962,876	1,305,620	66,869
Net difference between projected and actual earnings on pension plan investments	-	-	22,459,835	7,775,693
Change in proportion and differences between the District's contributions and proportionate share of contributions	230,827	10,904	75,779	145,186
District's contributions subsequent to the measurement date	4,337,411	334,861	-	-
Total	$ 15,030,768	$ 4,488,470	$ 23,957,691	$ 8,220,996

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 2022 for TRS and March 31, 2023 for ERS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	TRS	ERS
Year ended:		
2022	$ (2,852,156)	$ -
2023	(3,369,125)	(657,051)
2024	(4,247,610)	(919,269)
2025	(5,618,177)	(2,058,106)
2026	1,079,739	(432,960)
Thereafter	742,993	-

Actuarial Assumptions

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

	TRS	ERS
Measurement date	June 30, 2021	March 31, 2022
Actuarial valuation date	June 30, 2020	April 1, 2021
Interest rate	6.95%	5.90%
Salary scale	1.95% - 5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020 System's experience	April 1, 2015 - March 31, 2020 System's experience
Inflation rate	2.40%	2.70%
Cost of living adjustments	1.30%	1.40%

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2020. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020.

For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

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

TRS	Target Allocation 2021	Long-term expected Real rate of return* 2021
Asset Type		
Domestic equity	33%	6.80%
International equity	16%	7.60%
Global equity	4%	7.10%
Real estate	11%	6.50%
Private equity	8%	10.00%
Domestic fixed income	16%	1.30%
Global bonds	2%	0.80%
High-yield bonds	1%	3.80%
Private debt	1%	5.90%
Real estate debt	7%	3.30%
Cash equivalents	1%	-0.20%
Total	100%	

*Real rates of returns are net of the long-term inflation assumption of 2.4% for 2021.

ERS	Target Allocation 2022	Long-term expected Real rate of return* 2022
Asset Type		
Domestic equity	32%	3.30%
International equity	15%	5.85%
Private equity	10%	6.50%
Real estate	9%	5.00%
Opportunistic/absolute return strategy	3%	4.10%
Credit	4%	3.78%
Real assets	3%	5.58%
Fixed income	23%	0.00%
Cash	1%	-1.00%
Total	100%	

*Real rates of returns are net of the long-term inflation assumption of 2.5% for 2022.

Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.95% for TRS and 5.9% for ERS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (5.95% for TRS and 4.9% for ERS) or 1-percentage point higher (7.95% for TRS and 6.9% for ERS) than the current rate:

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's proportionate share of the net pension asset (liability)	$ 2,352,149	$ 22,415,208	$ 39,276,754

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's proportionate share of the net pension asset (liability)	$ (6,112,094)	$ 2,374,561	$ 9,473,239

Pension Plan Fiduciary Net Position

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

	TRS	ERS
Valuation date	June 30, 2021	March 31, 2022
	(Dollars in Thousands)	
Employers' total pension liability	$ 130,819,415	$ 223,874,888
Plan fiduciary net position	148,148,457	232,049,473
Employers' net pension asset/(liability)	$ 17,329,042	$ 8,174,585
Ratio of plan fiduciary net position to the employers' total pension asset/(liability)	113.2%	103.65%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $2,482,453.

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, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $334,861 of employer contributions.

11 – Interfund transactions – governmental funds:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	$ 17,327,404	$ 21,096,305	$ -	$ 137,735
Special Aid	37,570	1,289,246	87,045	-
School Lunch	-	6,000	-	-
Capital Projects	20,772,791	16,013,550	50,690	-
Debt Service	266,970		-	
Miscellaneous Special Revenue	366	-	-	-
Total Governmental Activities	$ 38,405,101	$ 38,405,101	$ 137,735	$ 137,735

During 2021-2022 the General Fund transferred $50,690 to the Capital Projects Fund for a capital project. The General Fund also made a transfer of $87,045 to the Special Aid Fund for the District's share of the special education summer school programs its students attended.

12 – Postemployment (health insurance benefits):

Plan Description

The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2022 approximately $4,539,182 was paid on behalf of 337 retirees.

Benefits Provided

The District provides for continuation of medical and/or Medicare Part B benefits for retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	337
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	536
Total plan members	873

Net OPEB Liability

The District's total OPEB liability of $180,760,385 was measured as of July 1, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	2.09 percent
Healthcare cost trend rates	6.75 percent for 2023, decreasing .25 percent to an ultimate rate of 4.5 percent for 2032 and later years
Retirees' share of benefit-related costs	15 to 20 percent of projected health insurance premiums for retirees

The discount rate was based on the average of three 20-year bond indices.

Mortality rates were based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the June 1, 2021 valuation were based on projected pay-as-you-go results for the period July 1, 2021 – June 30, 2022.

Changes in the Total OPEB Liability

Changes in the District's net OPEB liability were as follows:

Balance at June 30, 2021	$ 170,857,682
Changes for the year:	
Service cost	6,170,580
Interest	3,523,491
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	4,747,814
Benefit payments	(4,539,182)
Net changes	9,902,703
Balance at June 30, 2022	$ 180,760,385

Changes of assumptions and other inputs reflect a change in the discount rate from 2.44 percent in 2021 to 2.09 percent in 2022.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.09%) or 1 percentage point higher (3.09%) than the current discount rate:

	1% Decrease	Rate	1% Increase
Total OPEB Liability	$ 222,251,224	$ 180,760,385	$ 149,314,012

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 trend rates that are 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current healthcare cost trend rate:

	1% Decrease (5.75%) Decreasing to (3.50%)	Healthcare Cost Trend Rates (6.75%) Decreasing to (4.50%)	1% Increase (7.75%) Decreasing to (5.50%)
Total OPEB Liability	$ 145,471,655	$ 180,760,385	$ 229,623,812

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of $9,902,703. At June 30, 2022, 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	$ -	$ -
Changes of assumptions or other inputs	4,747,814	-
Benefit payments subsequent to the measurement period	-	-
Total	$ 4,747,814	$ -

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

Fiscal year ending June 30,	Amount
2023	$ 564,544
2024	564,544
2025	564,544
2026	564,544
2027	564,544
Thereafter	1,925,094
	$ 4,747,814

13 – Fund balance equity:

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2022:

Fund Balances	General	Special Aid	School Lunch	Capital Projects	Debt Service	Misc Special Revenue	Total Government Funds
Nonspendable							
Supplies inventory	$ -	$ -	$ 29,164	$ -	$ -	$ -	$ 29,164
Restricted							
Debt service	-	-	-	-	587,443	-	587,443
Workers' compensation	525,829	-	-	-	-	-	525,829
Unemployment insurance	309,711	-	-	-	-	-	309,711
Retire contribution-ERS	1,157,331	-	-	-	-	-	1,157,331
Retire contribution-TRS	874,391	-	-	-	-	-	874,391
Property loss	175,108	-	-	-	-	-	175,108
Liability	52,150	-	-	-	-	-	52,150
Tax certiorari	381,377	-	-	-	-	-	381,377
Employee benefit liability	261,140	-	-	-	-	-	261,140
Capital	4,511,420	-	-	-	-	-	4,511,420
Repairs	520,840	-	-	-	-	-	520,840
Encumbrances	-	15,905	6,305	-	-	-	22,210
Assigned							
Encumbrances	252,011	-	-	-	-	-	252,011
Designated for next year	6,600,000	-	-	-	-	-	6,600,000
School lunch	-	-	1,564,957	-	-	-	1,564,957
For specific purposes	-	-	-	-	266,970	197,938	464,908
Unassigned	30,754,370	(15,905)	-	(15,500,533)	-	-	15,237,932
	$ 46,375,678	$ -	$ 1,600,426	$ (15,500,533)	$ 854,413	$ 197,938	$ 33,527,922

14 – Risk management:

General

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

Consortiums and Self-Insured Plans

The District participates in the Jefferson-Lewis et. al. School Employees' Healthcare Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 16 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to $750,000 per insured event. The pool obtains independent coverage for insured events in excess of the $750,000 limit, and the District has essentially transferred all related risk to the pool.

The District participates in the Black River Valley Schools Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is $0.

15 – Commitments and contingencies:

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

The District has signed contracts for a building reconstruction project. The total anticipated cost of this project is $35,000,000, of which $22,112,518 has been expended through the end of this fiscal year.

16 – Tax abatements

The County of Jefferson enters into various property tax abatement programs for the purpose of economic development. The District property tax revenue was reduced $25,508. The District received payment in lieu of tax (PILOT) payments totaling $34,802.

17 – Adoption of New Pronouncement/Restatement of Prior Period Fund Balance

During the current year, the District adopted GASB 87, *Leases.* This pronouncement requires the District to report any leases and the related assets as lease payable and capital assets. The District currently pays for its lease-type assets in full up front and then has the right to use the asset for a period of five years. The prior period net asset balance has been adjusted by the net amount of the right-to-use assets (cost less accumulated amortization), an amount of $1,150,218.

18 – Subsequent Events

The District has evaluated events and transactions that occurred between June 30, 2022 and October 7, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Carthage Central School District
Required Supplementary Information
Schedule of Funding Progress - Other Postemployment Benefits
Last 4 Fiscal Years
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability					
Service cost	$ 6,170,580	$ 6,373,335	$ 4,902,719	$ 5,358,724	$ 6,257,747
Interest	3,523,491	3,454,257	4,097,257	4,768,556	4,159,280
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	-	-	-
Changes of assumptions or other inputs	4,747,814	21,338,063	5,864,743	(5,101,312)	(15,657,769)
Benefit payments	(4,539,182)	(3,751,728)	(3,813,704)	(2,445,426)	(2,260,793)
Net change in total OPEB liability	9,902,703	27,413,927	11,051,015	2,580,542	(7,501,535)
Total OPEB liability - beginning	170,857,682	143,443,755	132,392,740	129,812,198	137,313,733
Total OPEB liability - ending	$ 180,760,385	$ 170,857,682	$ 143,443,755	$ 132,392,740	$ 129,812,198
Covered payroll	$ 27,288,819	$ 28,456,091	$ 28,456,091	$ 31,378,835	$ 30,280,512
Total OPEB liability as a percentage of covered payroll	662.40%	600.43%	504.09%	421.92%	428.70%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Note:
The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

See paragraph on supplementary schedules included in independent auditors' report.

Carthage Central School District
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues				
Local Sources				
Real property taxes	$ 6,591,154	$ 6,591,154	$ 5,887,550	$ (703,604)
Other tax items	40,055	40,055	747,585	707,530
Charges for services	28,170	28,170	34,487	6,317
Use of money and property	49,860	49,860	90,082	40,222
Sale of property and compensation for loss	28,960	28,960	327,386	298,426
Miscellaneous	350,000	355,000	605,849	250,849
Total Local Sources	7,088,199	7,093,199	7,692,939	599,740
State sources	45,235,694	45,235,694	43,243,291	(1,992,403)
Medicaid reimbursement	90,000	90,000	128,854	38,854
Federal sources	7,233,470	7,233,470	8,749,479	1,516,009
Total Revenues	59,647,363	59,652,363	59,814,563	162,200
Other Financing Sources				
Transfers from other funds	5,490	5,490	-	(5,490)
Total Revenues and Other Financing Sources	59,652,853	59,657,853	59,814,563	$ 156,710
Appropriated Fund Balances				
Prior years' surplus	6,100,000	6,100,000		
Prior years' encumbrances	145,405	145,405		
Appropriated reserves	-	-		
Total Appropriated Fund Balance	6,245,405	6,245,405		
Total Revenues, Other Financing Sources and Appropriated Fund Balance	$ 65,898,258	$ 65,903,258		

Carthage Central School District
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2022

Expenditures	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual & Encumbrances
General Support					
Board of education	$ 54,874	$ 54,874	$ 40,199	$ 6,500	$ 8,175
Central administration	209,678	293,678	267,035	-	26,643
Finance	955,819	1,057,819	1,028,600	-	29,219
Staff	374,721	276,130	256,285	-	19,845
Central services	4,754,527	4,714,118	3,897,910	154,218	661,990
Special items	888,453	1,648,453	1,607,052	-	41,401
Total General Support	7,238,072	8,045,072	7,097,081	160,718	787,273
Instruction					
Instruction, administration and improvement	1,869,171	1,935,171	1,880,877	1,750	52,544
Teaching - regular school	17,661,384	17,081,384	15,032,350	34,310	2,014,724
Program for children with handicap conditions	7,728,832	7,663,832	6,798,464	195	865,173
Instructional - special schools	104,215	104,215	70,518	-	33,697
Instructional media	2,842,121	2,988,121	2,827,118	18,172	142,831
Pupil services	2,097,489	2,275,765	2,133,699	958	141,108
Total Instruction	32,303,212	32,048,488	28,743,026	55,385	3,250,077
Pupil transportation	6,405,663	6,405,663	5,141,065	35,908	1,228,690
Employee benefits	16,854,037	16,581,761	14,567,834	-	2,013,927
Debt service	2,817,274	2,542,274	2,058,235	-	484,039
Total Expenditures	65,618,258	65,623,258	57,607,241	252,011	7,764,006
Other Financing Uses					
Transfers to other funds	280,000	280,000	137,735	-	142,265
Total Expenditures and Other Financing Uses	$ 65,898,258	$ 65,903,258	57,744,976	$ 252,011	$ 7,906,271
Net Change in Fund Balance			2,069,587		
Fund Balance - Beginning of Year			44,306,091		
Fund Balance - End of Year			$ 46,375,678		

See paragraph on supplementary schedules included in independent auditors' report.

Carthage Central School District
Required Supplementary Information
Schedule of District Contributions
NYSTRS Pension Plan
Last 8 Fiscal Years
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 2,290,930	$ 2,102,128	$ 2,483,329	$ 2,288,148	$ 2,627,558	$ 2,861,108	$ 3,670,589	$ 3,405,405
Contributions in Relation to the Contractually Required Contributions	2,290,930	2,102,128	2,483,329	2,288,148	2,627,558	2,861,108	3,670,589	3,405,405
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 21,938,978	$ 21,718,944	$ 21,821,478	$ 21,532,815	$ 21,042,819	$ 20,524,736	$ 20,213,206	$ 20,122,189
Contributions as a % of Covered-Employee Payroll	10.44%	9.68%	11.38%	10.63%	12.49%	13.94%	18.16%	16.92%

Schedule of District Contributions
NYSERS Pension Plan
Last 8 Fiscal Years
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,253,870	$ 1,166,073	$ 1,172,155	$ 1,129,839	$ 1,174,781	$ 1,046,323	$ 1,216,532	$ 1,455,430
Contributions in Relation to the Contractually Required Contributions	1,253,870	1,166,073	1,172,155	1,129,839	1,174,781	1,046,323	1,216,532	1,455,430
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 8,110,202	$ 8,441,496	$ 8,396,548	$ 7,985,342	$ 7,985,137	$ 6,973,486	$ 7,045,629	$ 7,217,481
Contributions as a % of Covered-Employee Payroll	15.46%	13.81%	13.96%	14.15%	14.71%	15.00%	17.27%	20.17%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

Carthage Central School District
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability (Asset)
NYSTRS Pension Plan
Last 8 Fiscal Years
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.129351%	0.127930%	0.130721%	0.132417%	0.132732%	0.131611%	0.133220%	0.135000%
District's Proportionate Share of the Net Pension Liability (Asset)	$ (22,415,208)	$ 3,535,046	$ (3,396,141)	$ (2,394,455)	$ (1,008,897)	$ 1,409,607	$ (13,837,281)	$ (15,038,545)
District's Covered-Employee Payroll	$ 21,938,978	$ 21,718,944	$ 21,821,478	$ 21,532,815	$ 21,042,819	$ 20,524,736	$ 20,213,206	$ 20,122,189
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	-102.17%	16.28%	-15.56%	-11.12%	-4.79%	6.87%	-68.46%	-74.74%
Plan Fiduciary Net Position as Percentage of Total Pension Liability (Asset)	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	88.00%

Schedule of District's Proportionate Share of the Net Pension Liability (Asset)
NYSERS Pension Plan
Last 8 Fiscal Years
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.029048%	0.028927%	0.029805%	0.030511%	0.030713%	0.026724%	0.028164%	0.028270%
District's Proportionate Share of the Net Pension Liability (Asset)	$ (2,374,561)	$ 28,803	$ 7,892,623	$ 2,161,810	$ 991,250	$ 2,511,033	$ 4,520,317	$ 955,074
District's Covered-Employee Payroll	$ 8,110,202	$ 8,441,496	$ 8,396,548	$ 7,985,342	$ 7,985,137	$ 6,973,486	$ 7,045,629	$ 7,217,481
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	-29.28%	0.34%	94.00%	27.07%	12.41%	36.01%	64.16%	13.23%
Plan Fiduciary Net Position as Percentage of Total Pension Liability (Asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	101.00%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

Carthage Central School District
Supplementary Information
Schedule of Change from Adopted Budget to Final Budget
And the Real Property Tax Limit
For the Year Ended June 30, 2021

Change From Adopted Budget to Final Budget

Adopted budget	$ 65,752,853
Add: Prior year's encumbrances	145,405
Original budget	65,898,258
Budget revisions - donations received	5,000
Final budget	$ 65,903,258

Section 1318 of Real Property Tax Law Limit Calculation

2022-23 voter-approved expenditure budget		$ 67,082,204
Maximum allowed (4% of 2022-23 budget)		2,683,288
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 6,852,011	
Unassigned fund balance	30,754,370	
Total unrestricted fund balance	$ 37,606,381	
Less:		
Appropriated fund balance	$ 6,600,000	
Encumbrances included in assigned fund balance	252,011	
Total adjustments	$ 6,852,011	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 30,754,370
Actual percentage		45.85%

See paragraph on supplementary schedules included in independent auditors' report.

Carthage Central School District
Supplementary Information
Schedule of Project Expenditures
Capital Projects Fund
For the Year Ended June 30, 2022

			Expenditures				Methods of Financing				
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2022
Project Title											
Renovation - Phase 1	$ 4,975,000	$ 6,717,539	$ 5,114,782	$ 1,523,049	$ 6,637,831	$ 79,708	$ -	$ 873,881	$ 3,982,296	$ 4,856,177	$ (1,781,654)
Renovation - Phase 2	17,225,000	17,782,164	1,102,216	12,637,456	13,739,672	4,042,492	-	1,100,000	419,464	1,519,464	(12,220,208)
Renovation - Phase 3	4,350,000	5,044,903	158,950	777,129	936,079	4,108,824	-	-	-	-	(936,079)
Renovation - General Costs	8,450,000	5,455,394	572,234	226,702	798,936	4,656,458	-	-	236,344	236,344	(562,592)
Crawl Space Column Remediation	100,000	50,690	-	50,690	50,690	-	-	-	50,690	50,690	-
Totals	$ 35,100,000	$ 35,050,690	$ 6,948,182	$ 15,215,026	$ 22,163,208	$ 12,887,482	$ -	$1,973,881	$ 4,688,794	$ 6,662,675	$ (15,500,533)

See paragraph on supplementary schedules included in independent auditors' report.

Carthage Central School District
Supplementary Information
Net Investment in Capital Assets
For the Year Ended June 30, 2022

Capital assets, net		$ 90,183,437
Deduct:		
Premium on bonds payable	220,952	
Short-term portion of bonds payable	1,425,000	
Long-term portion of bonds payable	-	1,645,952
Net Investment in Capital Assets		$ 88,537,485

See paragraph on supplementary schedules included in independent auditors' report.

STACKEL & NAVARRA, C.P.A., P.C.
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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Carthage 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 Carthage Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Carthage Central School District's basic financial statements, and have issued our report thereon dated October 7, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Stackel & Navarra, CPA, PC

Watertown, NY
October 7, 2022

STACKEL & NAVARRA, C.P.A., P.C.
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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education
Carthage Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Carthage Central School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Carthage Central School District's major federal programs for the year ended June 30, 2022. Carthage Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Carthage Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Carthage Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Carthage Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Carthage Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

STACKEL & NAVARRA, C.P.A., P.C

CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control over Compliance

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

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

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

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

Stackel & Navarra, CPA, PC

Watertown, NY
October 7, 2022

Carthage Central School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	Expenditures
U.S. Department of Education			
Passed-through NYS Education Department:			
Special Education Cluster:			
IDEA - Part B (Section 611)	84.027	0032-22-0325	$ 658,605
IDEA - Part B (Section 619)	84.173	0033-22-0325	16,752
Total Special Education Cluster			675,357
Title I - ESEA - Basic Grant	84.010	0021-21-1210	11,131
Title I - ESEA - Basic Grant	84.010	0021-22-1210	764,720
Total Title I			775,851
21st Century Community Learning Center	84.287	0187-21-7079	19,756
21st Century Community Learning Center	84.287	0187-22-7079	283,000
Total 21st Century Community Learning Center			302,756
Title II A - Teacher/Principal Training/Recruit	84.367	0147-21-1210	77,498
Title II A - Teacher/Principal Training/Recruit	84.367	0147-22-1210	113,185
Total Title II			190,683
Title IV - Student Support/Academic Enrichment	84.424	0204-21-1210	8,922
Title IV - Student Support/Academic Enrichment	84.424	0204-22-1210	64,080
Total Title IV			73,002
Education Stabilization Funds:			
CRRSA - ESSER 2	84.425D	5891-21-1210	994,654
ARP ESSER 3	84.425U	5880-21-1210	1,134,971
ARP SLR Learning Loss	84.425U	5884-21-1210	251,515
ARP SLR Comprehensive After School	84.425U	5883-21-1210	67,873
ARP SLR Summer Enrichment	84.425U	5882-21-1210	46,081
ARP Homeless II	84.425W	5218-21-1210	10,850
Total Education Stabilization Funds			2,505,944
Total Passed-through NYS Education Department			4,523,593
Direct Programs - Impact Aid	84.041		8,210,187
Total Direct Programs			8,210,187
Total, U.S. Department of Education			12,733,780
U.S. Department of Defense			
Direct Programs:			
Competitive Grants: Promoting K-12 Student Achievement at Military Connected Schools	12.556		10,595
Competitive Grants: Promoting K-12 Student Achievement at Military Connected Schools	12.556		393,544
Total Competitive Grants			404,139
Impact Aid (Supplement, CWSD, BRAC)	12.558		539,292
Total Direct Programs			943,431
Total, U.S. Department of Defense			943,431

Carthage Central School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Number	Expenditures
U.S. Department of Agriculture			
Passed-through NYS Education Department:			
Child Nutrition Cluster:			
Non-Cash Assistance (food distribution)			
National School Lunch Program	10.555		108,232
Non-Cash Assistance subtotal			108,232
Cash Assistance			
School Breakfast Program	10.553		517,687
National School Lunch Program	10.555		1,677,471
Snack Program	10.555		14,924
Summer Feeding Program	10.559		36,705
Cash Assistance subtotal			2,246,787
Total Child Nutrition Cluster			2,355,019
Child Nutrition Emergency Operating Costs - COVID 19	10.558		2,996
P-EBT Administrative Costs	10.649		3,005
Total Passed-through NYS Education Department			2,361,020
Total, U.S. Department of Agriculture			2,361,020
Total Federal Awards Expended			$ 16,038,231

See Notes to Schedule of Expenditures of Federal Awards.

Carthage Central School District
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

1 – Summary of certain significant accounting policies:

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal* Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by New York State, and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

2 – Subrecipients:

No amounts were provided to subrecipients.

3 – Food distribution:

Nonmonetary assistance is recorded in the schedule at the fair market value of the commodities received and disbursed. The District was granted $108,232 of commodities under the National School Lunch Program (CFDA 10.555).

4 – Other disclosures:

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

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

Carthage Central School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	______ yes	X no
Significant deficiency(ies) identified?	______ yes	X none reported
Noncompliance material to financial statements noted?	______ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	______ yes	X no
Significant deficiency(ies) identified?	______ yes	X none reported
Type of auditor's opinion(s) issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)	______ yes	X no

Identification of major programs:

Name of federal program	CFDA Number
Title I – Improving Academic Achievement	84.010
Education Stabilization Funds	84.425D, 84.425U, 84.425W

Dollar threshold used to distinguish between Type A and Type B Programs		$750,000
Auditee qualified as low risk?	X yes	______ no

Section II - Financial Statements Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Carthage Central School District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

There were no prior year audit findings.