PRELIMINARY OFFICIAL STATEMENT DATED MAY 24, 2023

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hodgson Russ LLP, of Albany, New York, Bond Counsel, under existing statutes, regulations, rulings, 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 (the "Code"), as amended. Bond Counsel is also of the opinion that the interest on the Notes is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We observe that interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See "TAX MATTERS" herein.

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

$3,120,000

LAURENS CENTRAL SCHOOL DISTRICT

OTSEGO COUNTY, NEW YORK

GENERAL OBLIGATIONS

$3,120,000 Bond Anticipation Notes, 2023 (Renewals)

(the "Notes")

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

The Notes will constitute general obligations of the Laurens Central School District, Otsego County, New York, (the "District") and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. All the taxable real property within the District will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes will be issued without the option of prior redemption**.

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(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Hodgson Russ LLP, Bond Counsel, of Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about June 26, 2023.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on May 31, 2023 until 12:00 P.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

May __, 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 BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "CONTINUING DISCLOSURE" HEREIN.

LAURENS CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

CYNTHIA STRUCKLE
President

THOMAS FRANCISCO
Vice President

JERRY MURELLO
MARGARET WIKOFF
PEGGY BUSH

* * * * * * *

ADMINISTRATION

WILLIAM DORRITIE
Superintendent of Schools

AMY SCHLEE
District Treasurer

PAMELA J. WEIR
District Clerk

HODGSON RUSS LLP
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the Laurens 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 the Laurens Central School District.

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PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

of the

LAURENS CENTRAL SCHOOL DISTRICT

OTSEGO COUNTY, NEW YORK

Relating To

$3,120,000 Bond Anticipation Notes, 2023 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the Laurens Central School District, Otsego County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $3,120,000 Bond Anticipation Notes, 2023 (Renewals) (referred to herein as 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 also "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 of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are dated June 26, 2023 and 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.

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").

Purpose of Issue

The Notes are issued pursuant to the Constitution and Statues 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 October 20, 2021 authorizing the issuance of up to $3,500,000 serial bonds to finance a capital improvement project consisting of the reconstruction, rehabilitation and renovation in part, and the construction of improvements and upgrades to various District buildings (the "Capital Project") at an estimated maximum cost not to exceed $3,500,000.

The proceeds of the Notes together with $35,000 available funds of the District will redeem $705,000 bond anticipation notes maturing June 28, 2022 and $2,450,000 bond anticipation notes maturing July 7, 2023 originally issued for the Capital Project.

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, without limitation as to rate or amount.

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School 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 School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School 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 Laurens Central School District is located in the Towns of Hartwick, Laurens, Milford, Morris, New Lisbon and Otego. Geographically, Laurens is located in the central section of Otsego County, which is in central New York State.

Major highways serving the School District include State routes 23, 28, 205 and Interstate 88, which traverses northeast to southwest providing easy access to Albany and Binghamton. Air transportation is provided mainly by the Albany and Binghamton Airports. Other air transportation is provided by privately owned airports located in Oneonta and Sidney. Other modes of transportation include rail service provided by the Canadian Pacific Railroad Company, Adirondack-Pine Hill Trailways and Greyhound buses, and the Otsego Express (countywide buses).

The major economic activities within the area surrounding the School District are retail-related. Another aspect of the economy is institutional. There are two institutions of higher learning located close to the School District: Hartwick College and the State University of New York at Oneonta (SUNY). Together they have a total enrollment of approximately 7,000 students and employ approximately 1,400 people: 400 at Hartwick and 1000 at SUNY.

The largest industrial employer is Corning, Incorporated which employs approximately 220 people. Its major product is disposable plastic lab ware. Other industrial employers with more than 50 employees are: Mold-A-Matic Corporation (50), Astrocom Electronics, Inc. (94), Burt Rigid Box, Inc. (90), Custom Electronics, Inc. (78), and KMS Plastics, LLC (55). The consolidation of Bassett Hospital in Cooperstown and Fox Hospital in Oneonta makes health care a major source of employment and provider of Health Care in the area.

Other larger employers (and number of persons employed) include: ARC Otsego (270), NYSEG (178), Verizon (168), Oneonta Job Corps Center (130), and The Daily Star (121).

The National Baseball Hall of Fame draws large numbers of tourists to the area annually. Also, tourism has increased significantly due to the Cooperstown Dreams Park and Cooperstown All Star Village baseball camps. The Dreams Park contributes over $11 million annually to the area. Many area residents have established seasonal rental properties to accommodate many visitors to the area during the summer months. Business is flourishing in restaurants, lodges and retail stores due to the influx of visitors in the region. Gilbert Lake State Park, located within the District boundaries, continues to maintain annual tourist/vacationer numbers.

District Population

The 2021 estimated population of the District is 2,537. (Source: U.S. Census Bureau, 2017-2021 American Community Survey data)

Larger Employers

The following are some of the larger employers located within or in close proximity to the District.

Name	Type
Bassett Hospital Network	Healthcare
SUCO	Education
Hartwick College	Education
Corning Glass	Manufacturing
Chobani Yogurt	Food Manufacturing
Springbrook	School/Home for Individuals with Disabilities

Source: District officials.

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 the County listed below. The figures set forth below with respect to such towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that such towns or the County are 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:						
Hartwick	$ 17,473	$ 22,267	$ 35,169	$ 38,889	$ 60,069	$ 82,917
Laurens	16,985	22,873	33,165	40,833	56,731	65,685
Milford	17,222	23,948	47,831	43,516	49,244	68,839
Morris	17,427	22,003	33,050	38,750	51,250	79,813
New Lisbon	16,935	21,744	37,332	40,125	50,086	87,857
Otego	15,479	25,076	28,371	36,543	54,318	70,305
County of:						
Otsego	16,806	22,902	32,226	41,110	56,797	77,030
State of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

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.

Unemployment Rate Statistics

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

Annual Average

	2016	2017	2018	2019	2020	2021	2022
Otsego County	5.0%	5.0%	4.3%	4.1%	6.9%	4.5%	3.4%
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
Otsego County	3.2%	3.7%	3.6%	2.9%	2.7%	3.1%	3.6%	5.0%	4.4%	3.8%	2.8%	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).

Form of School Government

The Board of Education which is the policy-making body of the School District, consists of five members with overlapping five-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 School District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are elected 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 "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

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

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

Recent Budget Votes

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 116 yes to 9 no. The adopted budget included a total tax levy increase of 2.00%, which was within the District's Tax Cap of 2.68% 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 118 yes to 23 no. The adopted budget included a total tax levy increase of 2.00%, which was within the District's Tax Cap of 2.21% for the 2023-24 fiscal year.

Investment Policy

Pursuant to the statutes of the State, 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; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the 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; 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; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of New York State; and (5) obligations of the United States Government (U.S. Treasury Bills and Notes).

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 70.9% 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 $1,107,588 in ARP funds and $492,813 in CRRSA funds. As of June 30, 2022, the District has received its allocation 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 85.7% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State 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 [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 9,275,163	$ 6,423,287	69.25%
2018-2019	9,579,329	6,584,215	68.73
2019-2020	10,006,914	6,942,509	69.38
2020-2021	9,766,159	6,568,429	67.26
2021-2022	9,954,419	6,714,572	67.45
2022-2023 (Budgeted)	10,057,448	7,013,522	69.73
2023-2024 (Budgeted)	10,656,904	7,551,119	70.86

[1] Does not include interfund transfers or use of reserve funds.

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

School Facilities

Name	Grades	Years Built / Additions / Renovations
Laurens Central School	K-12	1929, ‘43, ‘55, ‘67, ‘90, ‘2007, ‘13, ‘17

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-2019	319	2023-2024	327
2019-2020	312	2024-2025	327
2020-2021	310	2025-2026	327
2021-2022	308	2026-2027	327
2022-2023	327	2027-2028	327

Source: District officials.

Employees

The District employs approximately 82 full-time and 1 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Employees	Union Representation	Contract Expiration Date
38	Laurens Teachers Association	June 30, 2023 [1]
35	Laurens Central School CSEA	June 30, 2023 [1]
12	Non-Represented	Various End Dates [2]

[1] Currently under negotiations.
[2] Individual contracts.

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 contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2023-24 fiscal year are as follows:

Fiscal Year	ERS	TRS
2018-2019	$ 146,393	$ 246,035
2019-2020	149,258	221,748
2020-2021	164,042	220,732
2021-2022	162,501	239,312
2022-2023	150,285	231,048
2023-2024 (Budgeted)	190,080	280,000

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

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 School District currently does not have early retirement incentive programs.

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 authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the "Stable Rate Pension Contribution Option"). The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, 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 fiscal year ended June 30, 2019, the District has established a TRS reserve fund.

Retirement System Assumptions. The investment of monies and assumptions underlying same, of the Retirement Systems covering the School District’s employees is not subject to the direction of the School 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 School 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.

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

The District contracted with Capital Region BOCES to calculate its actuarial valuation under GASB 75. The following table outlines the changes to the Total OPEB Liability during the 2020-21 and 2021-22 fiscal years, by source.

Balance beginning at:	July 1, 2020	July 1, 2021
	$ 2,992,299	$ 3,255,242
Changes for the year:		
Service cost	162,041	188,085
Interest on total OPEB liability	85,149	71,962
Changes in Benefit Terms	-	-
Differences between expected and actual experience	(142,166)	(513,725)
Changes in Assumptions or other inputs	251,953	(76,120)
Benefit payments	(94,034)	(98,319)
Net Changes	$ 262,943	$ (428,117)
Balance ending at:	**June 30, 2021**	**June 30, 2022**
	$ 3,255,242	**$ 2,827,125**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability, see "APPENDIX - D" attached hereto.

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.

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.

Other Information

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

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

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

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

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

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2022 and is attached hereto as "APPENDIX-D" to this Official Statement. Certain summary financial information of the School District can also be found attached as additional Appendices to the Official Statement.

The School District complies with the Uniform System of Accounts as prescribed by the State Comptroller for school districts in New York State. Except for the accounting for fixed assets, this system conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accounts' Industry 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, 2004 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 its most recent audit report of the District on August 31, 2018. The purpose of the was to determine whether Laurens Central School District (District) officials effectively managed cafeteria operations and properly managed reserves.

A copy of the complete reports and the District's responses can be found via the Audits of Local Governments and School Districts section of the Office of the New York State Comptroller's website.

As of the date of this Official Statement, there are no State Comptrollers audits of the District that are currently in progress or pending release.

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

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 classification of the District for the 2017-18 through 2021-22 fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	3.3
2019	No Designation	13.3
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.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Hartwick	$ 3,155,103	$ 3,188,462	$ 3,188,837	$ 3,187,931	$ 3,232,408
Laurens	131,826,674	135,846,794	134,896,417	136,327,544	155,335,739
Milford	2,094,089	2,256,011	2,257,508	2,255,378	2,404,400
Morris	1,837,431	1,803,070	1,803,614	1,943,312	1,990,570
New Lisbon	24,404,988	24,711,464	24,916,900	24,823,704	30,189,033
Otego	238,600	239,019	239,019	238,971	238,971
Total Assessed Values	$ 163,556,885	$ 168,044,820	$ 167,302,295	$ 168,776,840	$ 193,391,121
State Equalization Rates					
Towns of:					
Hartwick	100.00%	100.00%	100.00%	100.00%	90.23%
Laurens	100.00%	100.00%	96.00%	90.00%	79.02%
Milford	100.00%	100.00%	100.00%	97.00%	87.00%
Morris	100.00%	100.00%	100.00%	100.00%	93.49%
New Lisbon	109.02%	106.22%	100.00%	100.00%	91.00%
Otego	119.64%	116.88%	112.38%	107.34%	100.00%
Total Taxable Full Valuation	$ 161,498,518	$ 166,563,254	$ 172,896,648	$ 183,977,758	$ 238,466,751

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Hartwick	$ 16.98	$ 16.71	$ 16.09	$ 15.42	$ 15.45
Laurens	16.98	16.70	16.76	17.13	17.64
Milford	16.99	16.70	16.09	15.89	16.03
Morris	16.60	16.70	16.09	15.41	14.91
New Lisbon	15.58	15.73	16.09	15.42	15.32
Otego	14.13	14.30	14.32	14.36	13.92

Source: District officials.

Tax Collection Procedure

School District taxes are payable to the School Tax Collector from September 1 to September 30 without penalty. Payments received from October 1 through October 31 carry a penalty of 2%. Unpaid taxes are returned to the County Treasurer after November 1. Taxes which remain unpaid after that date are added to the following year's town/county tax bills with an additional 3% penalty.

The County reimburses the School District for all unpaid taxes in April of the year following the year of levy, and the School District is thus assured of 100% collection of its annual levy.

Tax Levy and Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy [(1)]	$ 2,741,285	$ 2,782,401	$ 2,782,401	$ 2,836,202	$ 2,892,926
Amount Uncollected [(2)]	285,527	267,714	277,524	231,750	213,027
% Uncollected	10.42%	9.62%	9.97%	8.17%	7.36%

(1) Tax Levy less STAR Exemption.
(2) The District is reimbursed by the County for all unpaid taxes. See "Tax Collection Procedure" herein.

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 2021-22 and 2022-23 fiscal years comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues [(1)]	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Property Taxes
2017-18	$ 9,275,163	$ 2,697,192	29.08%
2018-19	9,579,329	2,750,856	28.72
2019-20	10,006,914	2,791,278	27.89
2020-21	9,766,149	2,788,912	28.56
2021-22	9,954,419	2,841,309	28.54
2022-23 (Budgeted)	10,057,448	2,899,926	28.83
2023-24 (Budgeted)	10,656,904	2,950,785	27.69

(1) Does not include interfund transfers or use of reserve funds.

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

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

Name	Type	Taxable Assessed Valuation
Otsego Electric Coop [(1)]	Utility	$ 3,727,126
NYSEG	Utility	3,269,329
Red Community LLC	MFG Housing Park	2,511,500
JKLM Valley Stream	Trailer Park	1,361,200
Cherry Brook Estates	Residential/Business	1,000,000
City of Oneonta	Water Supply	837,300
Barra	Residential/Business	769,100
Colonial Ridge Golf Course	Golf Course	641,500
Mirabito Holdings inc	Minimart & Gas Station	510,000
Verizon	Utility	449,311

The larger taxpayers listed above have a total taxable assessed valuation of $15,076,366 which represents 7.8% of the tax base of the School District. The School District does not have any current or pending tax certioraris.

(1) Otsego Electric Cooperative has petitioned the Town, including the District, for a reduced assessment. Otsego Electric is proposing a 15% assessment reduction. The estimated District tax impact would be $9,000 annually. A tax certiorari reserve is in place to cover any tax repayments that may be required.

Source: District officials.

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 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Hartwick	$ 73,450	$ 27,070	4/6/2023
Laurens	64,320	24,030	4/6/2023
Milford	70,820	26,100	4/6/2023
Morris	76,100	28,050	4/6/2023
New Lisbon	74,070	27,300	4/6/2023
Otego	81,400	30,000	4/6/2023

$394,541 of the District's $2,836,202 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

$360,820 of the District's $2,892,926 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 School District is assessed by the Towns.

Senior Citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-70%, Commercial-20%, Industrial-5% and Agricultural-5%.

The estimated total annual property tax bill of a $60,000 market value residential property located in the School District is approximately $1,900 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy 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). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

On June 25, 2015, Chapter 20 of the 2015 Laws of New York ("Chapter 20") amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016 to June 15, 2020. Chapter 20 also affects the calculation of tax base growth factor and exclusions available to school districts, and introduces a new real property tax rebate, as outlined below. On April 12, 2019, the enacted budget legislation made the Tax Levy Limitation Law permanent.

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").

The Tax Levy Limitation Law 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 or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax exempt real property.

Beginning with the 2012-13 fiscal year, school districts have had to submit their proposed tax levies to the voters each year. 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 budget by at least a 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation only require approval by at least a simple majority of those voting. In the event that a budget is defeated and not re-proposed, or in the event of two budget vote defeats in the same year, a school district may not levy taxes in an amount greater than the amount levied in the most recent year when a budget was approved.

There are exceptions for school districts to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. "Capital Local Expenditures" do 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 State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the 2020-21 school year, to adjust the exclusion to reflect a school district's share of capital expenditures related to projects funded through a board of cooperative education services ("BOCES"). The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and this is an exclusion from the tax levy limitation (except in a case when the District would be prohibited from raising the tax levy amount at all due budget vote results, as explained above).

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "Nature of the Obligation," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See "TAX LEVY LIMITATION LAW" herein.

Statutory Procedure

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

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

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking 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 Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

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

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

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

The District complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2018	2019	2020	2021	2022
Bonds	$ 11,450,000	$ 12,000,000	$ 10,860,000	$ 9,720,000	$ 8,545,000
Bond Anticipation Notes	1,840,000	0	0	0	705,000
Total Debt Outstanding	$ 13,290,000	$ 12,000,000	$ 10,860,000	$ 9,720,000	$ 9,250,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District evidenced by bonds and notes as of May 24, 2023:

Type of Indebtedness	Maturity	Amount
Bonds	2023-2033	$ 8,545,000
Bond Anticipation Notes		
Capital Project	June 27, 2023	705,000 (1)
Capital Project	July 7, 2023	2,450,000 (2)
	Total Indebtedness	$ 11,700,000

(1) To be redeemed at maturity with proceeds of the Notes together with $35,000 available funds of the District.

(2) To be redeemed at maturity with proceeds of the Notes.

Debt Statement Summary

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

Full Valuation of Taxable Real Property			$ 238,466,751
Debt Limit 10% thereof			23,846,675
Inclusions:			
Bonds	$ 8,545,000		
Bond Anticipation Notes	3,155,000		
Total Inclusions		$ 11,700,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 11,700,000
Net Debt-Contracting Margin			$ 12,146,675
The percent of debt contracting power exhausted is			49.06%

(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 85.7% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Cash Flow Borrowings

The School District has not issued tax and/or revenue anticipation notes, nor budget or deficiency notes, in the past five fiscal years, and does not plan on issuing any in the foreseeable future.

Capital Project Plans

On May 18, 2021, the qualified voters of the District approved a capital project consisting of the reconstruction, rehabilitation and renovation in part, and the construction of improvements and upgrades to various District buildings at a maximum estimated cost not to exceed $3,500,000 (the "Capital Project"). The District intends to use $300,000 capital reserve funds to offset the cost of the Capital Project. To date the District has issued $3,200,000 bond anticipation notes pursuant to this Capital Project authorization, of which $3,155,000 bond anticipation notes are currently outstanding. The issuance of the Notes, less a $35,000 principal reduction, will renew a $3,120,000 portion of the notes through June 2024. The District expects to permanently finance the Notes at maturity with the issuance of bonds.

On May 16, 2023, the qualified voters of the District approved a proposition authorizing the purchase of (1) 65 passenger school bus. The bus will be paid for in full by funds from the Bus Reserve and so there will be no impact on the tax levy from this purchase.

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

Estimated Overlapping Indebtedness

In addition to the School 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 School 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:						
Otsego	12/31/2021	$ 7,433,430	$ 698,430	$ 6,735,000	3.56%	$ 239,766
Town of:						
Hartwick	12/31/2021	2,626,655	1,583,955	1,042,700	1.31%	13,659
Laurens	12/31/2021	75,846	-	75,846	90.85%	68,906
Milford	12/31/2021	266,511	266,511	-	0.83%	-
Morris	12/31/2021	-	-	-	1.49%	-
New Lisbon	12/31/2021	56,249	-	56,249	23.73%	13,348
Otego	12/31/2021	-	-	-	0.12%	-
Village of:						
Laurens	5/31/2022	875,000	875,000	-	100.00%	-
					Total:	$ 335,679

(1) Bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.

(2) Water and sewer debt and 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 Years Ended in 2021 for the counties and towns and 2022 for the villages listed above.

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]	$ 11,700,000	$ 4,611.75	4.91%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	12,035,679	4,744.06	5.05%

(a) The District's 2021 estimated population is 2,537. (See "THE SCHOOL DISTRICT - District Population" herein.)

(b) The District's full valuation of taxable real estate for the District's 2022-23 tax roll is $238,466,751. (See "TAX INFORMATION - Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) The District's estimated applicable share of net underlying indebtedness is $335,679. (See "Estimated Overlapping Indebtedness" herein).

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

The financial condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School 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 School 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 School 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 School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School 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 School 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.

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 the 2022-23 fiscal year or for the foreseeable future.

TAX MATTERS

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

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

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

1. The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a "private activity bond" within the meaning of Code Section 141;

2. The requirements contained in Code Section 148 relating to arbitrage bonds; and

3. The requirements that payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code Section 149(b).

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

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

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

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the legal opinion of Hodgson Russ LLP, of Albany, New York, Bond Counsel. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District and, unless paid from other sources, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limitation Law); provided, however, that the enforceability (but not the validity) of the Notes may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of equitable remedies or the application thereto of equitable principles; (ii) assuming that the District complies with certain requirements of the Code, interest on the Notes (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (iii) interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's 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 therein; (iii) the opinions expressed therein 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 District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the 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 the light of the circumstances under which they were made, not misleading.

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School 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 School 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 School District, threatened against or affecting the School District to restrain or enjoin 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 School District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the School District.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), unless the Notes are purchased for the purchaser’s own account, as principal for investment and not for resale, the District will enter into a Disclosure Undertaking at closing, a description of which is attached hereto as “APPENDIX C.” A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Notes as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

Historical Continuing Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings pursuant to the Rule, however,

- The District was 13 days late in filing its audited financial statement for the fiscal year ended June 30, 2022. The District’s audit was dated December 31, 2022, however, the final audit was not made available to the District until January 9, 2023, when it was promptly filed to the Electronic Municipal Access Website. The District’s available annual financial information and operating data was filed in a timely manner on December 27, 2022, and amended on January 9, 2023 to incorporate the audited financial statement. The District has provided notice of its failure to file.

RATINGS

The Notes are <u>NOT</u> rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a designated event notification to be posted to EMMA which is required by the District’s continuing disclosure undertakings. (See “APPENDIX – C, DESIGNATED EVENT NOTICES” herein.)

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned its rating of “A+” with a Stable outlook, to the District’s outstanding general obligation bonds. This rating reflects only the view of S&P and an explanation of the significance of such rating may be obtained from Standard & Poor’s Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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 Bonds may have an adverse effect on the market price of the Bonds.

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 and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

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 book-entry Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

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

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the School District management's beliefs as well as assumptions made by, and information currently available to, the School 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 School District's files with the repositories. When used in School District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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.

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

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

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.

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.

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

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 School 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 School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the School District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Mr. William Dorritie, Superintendent of Schools, Laurens Central District, 55 Main Street, P.O. Box 301, Laurens, New York 13796, phone: (607) 432-2050, fax: (607) 432-4388, email: bdorritie@laurenscs.org.

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

LAURENS CENTRAL SCHOOL DISTRICT

Dated: May 24, 2023

CYNTHIA STRUCKLE
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	$ 470,951	$ 276,569	$ 290,955	$ 736,645	$ 1,527,439
Restricted Cash	2,825,122	3,240,826	3,465,959	4,013,421	3,931,532
Due from Other Funds	886,407	939,036	1,060,564	1,025,124	112,235
Due from Other Governments	-	-	1	120,615	1
Due from Fiduciary Funds	273,886	391,101	805,045	417,269	724,058
State and Federal Aid Receivable	359,275	353,658	383,279	333,420	333,729
Accounts Receivable	-	-	692	1,319	125
Other Receivables	5,777	5,583	-	-	-
TOTAL ASSETS	$ 4,821,418	$ 5,206,773	$ 6,006,495	$ 6,647,813	$ 6,629,119
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 26,119	$ 74,251	$ 97,552	$ 54,750	$ 25,023
Accrued Liabilities	18,508	49,563	91,823	48,612	28,382
Compensated absences payable	-	-	-	-	-
Due to Other Funds	757,098	822,775	1,013,729	1,020,144	-
Due to Other Governments	-	-	-	880	455
Due to Fiduciary funds	87,907	58,969	-	4,548	4,248
Due to Teachers' Retirement System	245,206	271,554	236,158	239,312	249,724
Due to Employees' Retirement System	40,267	40,294	42,129	45,244	31,558
Deferred Revenues	-	603	2,471	3,206	-
TOTAL LIABILITIES	1,175,105	1,318,009	1,483,862	1,416,696	339,390
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	2,825,122	3,240,826	2,973,455	3,626,885	3,525,674
Assigned	422,467	239,694	285,685	310,533	304,368
Unassigned	398,724	408,244	1,263,493	1,293,699	2,459,687
TOTAL FUND EQUITY	3,646,313	3,888,764	4,522,633	5,231,117	6,289,729
TOTAL LIABILITIES and FUND EQUITY	$ 4,821,418	$ 5,206,773	$ 6,006,495	$ 6,647,813	$ 6,629,119

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	$ 2,222,197	$ 2,279,571	$ 2,337,305	$ 2,374,454	$ 2,440,273
Other Tax Items	474,995	471,285	453,973	414,458	401,036
Charges for Services	33,078	40,269	33,882	36,911	96,273
Use of Money & Property	1,296	37,257	46,270	2,139	6,041
Sale of Property and Compensation for Loss	223	4,972	228	107	15,190
Miscellaneous	120,087	161,760	192,747	210,874	248,953
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	6,423,287	6,584,215	6,942,509	6,568,429	6,714,572
Revenues from Federal Sources	-	-	-	158,787	32,081
Total Revenues	$ 9,275,163	$ 9,579,329	$ 10,006,914	$ 9,766,159	$ 9,954,419
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	9,275,163	9,579,329	10,006,914	9,766,159	9,954,419
EXPENDITURES					
General Support	$ 1,231,755	$ 1,335,267	$ 1,363,315	$ 1,414,037	$ 1,329,177
Instruction	3,781,717	3,948,614	3,887,689	3,805,485	3,729,391
Pupil Transportation	620,325	673,916	677,420	496,810	517,942
Community Services	4,402	4,831	4,494	4,043	5,478
Employee Benefits	1,734,337	1,793,726	1,815,374	1,842,830	1,723,752
Debt Service	1,344,665	1,442,710	1,511,413	1,463,501	1,519,435
Total Expenditures	$ 8,717,201	$ 9,199,064	$ 9,259,705	$ 9,026,706	$ 8,825,175
Other Uses:					
Interfund Transfers	155,045	137,814	113,340	123,278	70,632
Total Expenditures and Other Uses	8,872,246	9,336,878	9,373,045	9,149,984	8,895,807
Excess (Deficit) Revenues Over Expenditures	402,917	242,451	633,869	616,175	1,058,612
FUND BALANCE					
Fund Balance - Beginning of Year	3,243,396	3,646,313	3,888,764	4,522,633	5,231,117
Prior Period Adjustments (net)	-	-	-	92,309 (1)	-
Fund Balance - End of Year	$ 3,646,313	$ 3,888,764	$ 4,522,633	$ 5,231,117	$ 6,289,729

(1) Prior period adjustment due to implementation of GASB 84 accounting standard.

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	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 2,836,202	$ 2,836,202	$ 2,440,273	$ 2,899,926	$ 2,950,785
Other Tax Items	7,000	7,000	401,036	-	-
Charges for Services	2,000	2,000	96,273	2,000	2,000
Use of Money & Property	2,000	2,000	6,041	2,000	2,000
Sale of Property and Compensation for Loss	-	-	15,190	-	-
Miscellaneous	125,000	163,380	248,953	140,000	151,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	6,967,263	6,967,263	6,714,572	7,013,522	7,551,119
Revenues from Federal Sources	-	-	32,081	-	-
Total Revenues	$ 9,939,465	$ 9,977,845	$ 9,954,419	$ 10,057,448	$ 10,656,904
Other Sources:					
Operating Transfers (in)	15,000	15,000	-	-	-
Total Revenues and Other Sources	9,954,465	9,992,845	9,954,419	10,057,448	10,656,904
EXPENDITURES					
General Support	$ 1,527,626	$ 1,572,962	$ 1,329,177	$ 1,540,420	$ 1,633,202
Instruction	4,450,205	4,462,787	3,729,391	4,483,609	4,771,671
Pupil Transportation	606,796	689,259	517,942	613,922	627,339
Community Services	6,106	6,106	5,478	6,156	6,156
Employee Benefits	1,968,000	1,968,000	1,723,752	1,957,850	2,024,200
Debt Service	1,537,076	1,537,076	1,519,435	1,686,970	1,911,957
Total Expenditures	$ 10,095,809	$ 10,236,190	$ 8,825,175	$ 10,288,927	$ 10,974,525
Other Uses:					
Operating Transfers (out)	147,038	147,038	70,632		
Total Expenditures and Other Uses	10,242,847	10,383,228	8,895,807	10,288,927	10,974,525
Excess (Deficit) Revenues Over Expenditures	(288,382)	-	1,058,612	(231,479)	(317,621)
FUND BALANCE					
Fund Balance - Beginning of Year	288,382	390,383	5,231,117	231,479	317,621
Prior Period Adjustments (net)	-	-		-	-
Fund Balance - End of Year	$ -	$ 390,383	$ 6,289,729	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 1,200,000	$ 269,113	$ 1,469,113
2024	1,225,000	239,638	1,464,638
2025	1,260,000	207,731	1,467,731
2026	1,295,000	173,031	1,468,031
2027	1,345,000	133,131	1,478,131
2028	1,370,000	86,131	1,456,131
2029	205,000	34,081	239,081
2030	210,000	25,238	235,238
2031	140,000	16,050	156,050
2032	145,000	11,850	156,850
2033	150,000	7,500	157,500
TOTALS	$ 8,545,000	$ 1,203,494	$ 9,748,494

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2013 Capital Project Principal	2013 Capital Project Interest	2013 Capital Project Total	2015 Capital Project Principal	2015 Capital Project Interest	2015 Capital Project Total
2023	$ 35,000	$ 8,050	$ 43,050	$ 60,000	$ 16,569	$ 76,569
2024	35,000	6,825	41,825	60,000	14,769	74,769
2025	35,000	5,513	40,513	65,000	12,969	77,969
2026	35,000	4,113	39,113	65,000	11,019	76,019
2027	40,000	2,713	42,713	70,000	9,069	79,069
2028	25,000	1,063	26,063	70,000	6,969	76,969
2029	-	-	-	75,000	4,781	79,781
2030	-	-	-	75,000	2,438	77,438
TOTALS	$ 205,000	$ 28,275	$ 233,275	$ 540,000	$ 78,581	$ 618,581

Fiscal Year Ending June 30th	2015 Refunding of 2008 Bonds Principal	2015 Refunding of 2008 Bonds Interest	2015 Refunding of 2008 Bonds Total	2017 Refunding of 2009 Bonds Principal	2017 Refunding of 2009 Bonds Interest	2017 Refunding of 2009 Bonds Total
2023	$ 710,000	$ 126,906	$ 836,906	$ 300,000	$ 55,788	$ 355,788
2024	725,000	112,706	837,706	305,000	48,288	353,288
2025	740,000	97,300	837,300	315,000	39,900	354,900
2026	755,000	80,650	835,650	330,000	30,450	360,450
2027	780,000	59,500	839,500	340,000	20,550	360,550
2028	805,000	32,200	837,200	345,000	10,350	355,350
TOTALS	$ 4,515,000	$ 509,263	$ 5,024,263	$ 1,935,000	$ 205,325	$ 2,140,325

Fiscal Year Ending June 30th	2019A DASNY Bonds Principal	2019A DASNY Bonds Interest	2019A DASNY Bonds Total
2023	$ 95,000	$ 61,800	$ 156,800
2024	100,000	57,050	157,050
2025	105,000	52,050	157,050
2026	110,000	46,800	156,800
2027	115,000	41,300	156,300
2028	125,000	35,550	160,550
2029	130,000	29,300	159,300
2030	135,000	22,800	157,800
2031	140,000	16,050	156,050
2032	145,000	11,850	156,850
2033	150,000	7,500	157,500
TOTALS	$ 1,350,000	$ 382,050	$ 1,732,050

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the "Disclosure Undertaking") is executed and delivered by the Laurens Central School District, Otsego County, New York (the "Issuer") in connection with the issuance of its [$3,120,000 Bond Anticipation Note(s), 2023] (such Note(s) including any interests therein, being collectively referred to herein as the "Security"). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

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

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;

(7) Modifications to rights of Security Holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Security, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

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

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

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

Section 2. Definitions.

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

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

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

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

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

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

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

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

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

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

Section 6. Termination.

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

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of [July 14, 2021].

LAURENS CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK

By: SPECIMEN
President of the Board of Education

(SEAL)

ATTEST:

SPECIMEN
District Clerk

LAURENS CENTRAL SCHOOL DISTRICT

OTSEGO COUNTY, NEW YORK

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.

LAURENS CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2022

LAURENS CENTRAL SCHOOL DISTRICT

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CWYNAR, FARROW & LOCKE, CPAs
A Professional Limited Liability Company
43 S Broad Street
Norwich, New York 13815
(607) 334-3838 voice
(607) 441-1101 fax
www.Cwynar.com

Independent Auditors' Report

To the Board of Education
Laurens Central School District
Laurens, NY

Report on 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 Laurens 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 District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Laurens 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Laurens 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

Laurens Central School District's 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; this includes 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 Laurens Central School District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Laurens 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 Laurens 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.

Emphasis of Matter Regarding Change in Accounting Principle

During the year ended June 30, 2022, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. As a result of the implementation of this standard, the district reported a restatement for a change in accounting principle (see note 16). Our auditors' opinion was not modified with respect to this statement.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 4 - 15, and budgetary comparison information on pages 55-56, schedule of change in total OPEB liability and related ratios on page 57, and schedule of district's proportionate share of net pension liability and district's contributions on pages 58-59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Laurens Central School District's basic financial statements. Schedules of changes from adopted budget to final budget and the real property tax limit, schedule of capital projects fund expenditures and resources, invested in capital assets, net of related debt 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.

The schedules of changes from adopted budget to final budget and the real property tax limit, schedule of capital projects fund expenditures and resources, invested in capital assets, net of related debt was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information on pages 61-63 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The schedule of expenditures of federal awards 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. Such information on page 70 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 expenditures of federal awards is 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 December 31, 2022, on our consideration of the Laurens 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 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 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 Laurens Central School District's internal control over financial reporting and compliance.

Cwynar, Farrow & Locke, CPAs

December 31, 2022
Norwich, New York

Management's Discussion and Analysis

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2022. The 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. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

As the fiscal year came to a close, the district ended the year with an increase in general fund balance of $1,058,612. Total fund balance increased $389,008 with all funds except capital projects reporting a positive ending fund balance. The district will use the surplus to help offset future state aid cuts. Revenues came in slightly over budget while expenditures stayed under budget affording the district the ability to improve fund balance while keeping the budget the same level in the following year.

OVERVIEW OF THE 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 *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 more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

The table 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 proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred 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/out flow information	All revenues and expenses during 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	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Financial Statements

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 position and how it has changed. Net position - the difference between the School District's assets and deferred outflows of resources and the School District's liabilities and deferred inflows of resources - is one way to measure the School District's financial health or *position*.

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

- To assess the School District's overall health, you need to consider additional nonfinancial 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 formula 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:

- 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 or in schedules immediately following the balance sheet and revenues and expenditures statement explains the relationship (or differences) between them.

- Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. 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 activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Condensed Statement of Net Position (in Thousands)

	Governmental Activities and Total School District 2021	2022	Percent Change
Assets & Deferred Outflows			
Current and Other Assets	$ 6,230	$ 10,418	67.2%
Capital Assets	20,027	20,192	0.8%
Deferred Outflows of Resources	3,129	2,842	-9.2%
	29,386	33,452	13.8%
Liabilities & Defered Inflows			
Current Liabilities	429	1,580	268.3%
Long-Term Liabilities	13,883	11,783	-15.1%
Deferred Inflows of Resources	1,348	4,295	218.6%
	15,660	17,658	12.8%
Net Position			
Invested in Capital Assets, Net of Related Debt	10,248	11,010	7.4%
Restricted	4,177	3,932	-5.9%
Unrestricted	(699)	852	-221.9%
Total Net Position	$ 13,726	$ 15,794	15.1%

Analysis of Net Position

Net Position may serve as a useful indicator of the district's financial position. At the end of fiscal year 2022, the District's total assets exceeded liabilities by $15.7 million.

The largest portion of the Net Position reflects the District's $11 million investment in capital assets. This is approximately 70% of the District's Net Position, this is an increase of $1.46 million from the prior year. Since the district uses capital assets to provide services, they are not available for future spending. Further, the resources required to pay this debt must come from other sources since the capital assets themselves cannot be liquidated to pay that liability.

Long-term bonds payable decreased by $1.175 million.

The district records an obligation to pay long-term post employment benefit to comply with accounting standards, however the policy of the State of New York to not allow the district to fund the obligation. The current year decrease is $428 thousand, the total OPEB liability recorded on the statement of Net Position is $2.8 million. The net impact of changes in net pension liability, deferred outflows and inflows from the actuarial calculation in accordance with GASB 68 was a $477 thousand increase in net position.

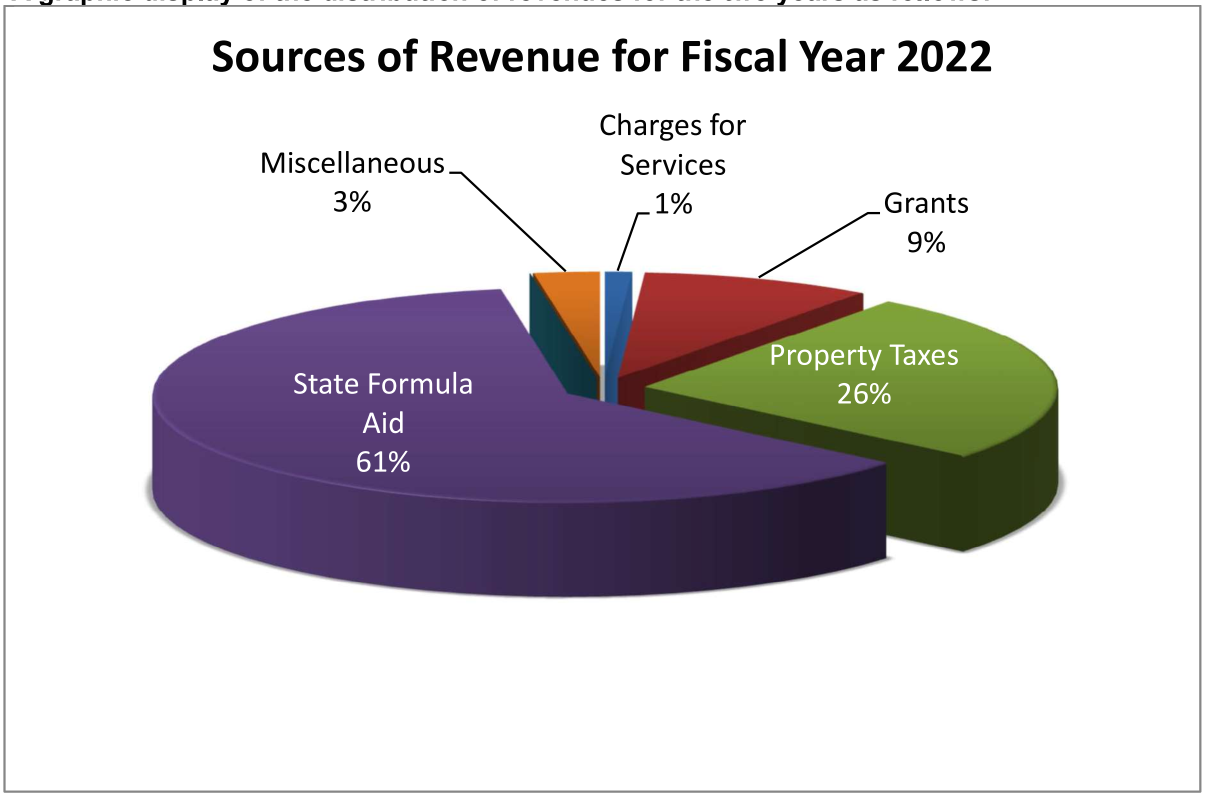
Condensed Changes in Net Position from Operating Results (in Thousands)

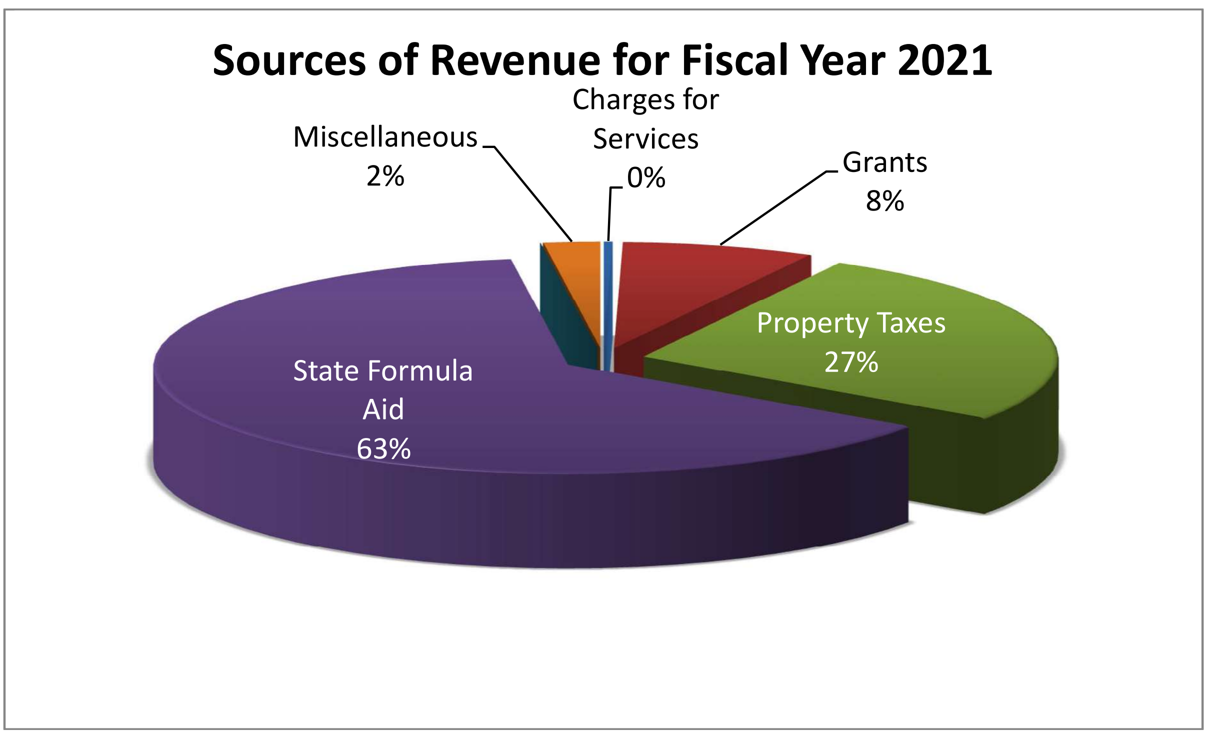
	Governmental Activities and Total School District 2021	2022	Change
Revenues			
Program Revenues			
Charges for Services	$ 36	$ 115	219.4%
Grants	787	990	25.8%
General Revenues			
Property Taxes and tax items	2,789	2,841	1.9%
State Formula Aids	6,568	6,715	2.2%
Interest Earnings	2	6	200.0%
Miscellanous	229	278	21.4%
Total Revenue	10,411	10,945	5.1%
Expenses			
General Support	1,715	1,572	-8.3%
Instruction	6,164	5,488	-11.0%
Pupil Transportation	627	712	13.6%
Community Service	4	6	50.0%
Depreciation	533	534	0.2%
Debt Service	324	299	-7.7%
School Lunch Program	212	267	25.9%
Total Expenses	9,579	8,878	-7.3%
Change in Net Position	$ 832	$ 2,067	

Analysis of Changes in Net Position

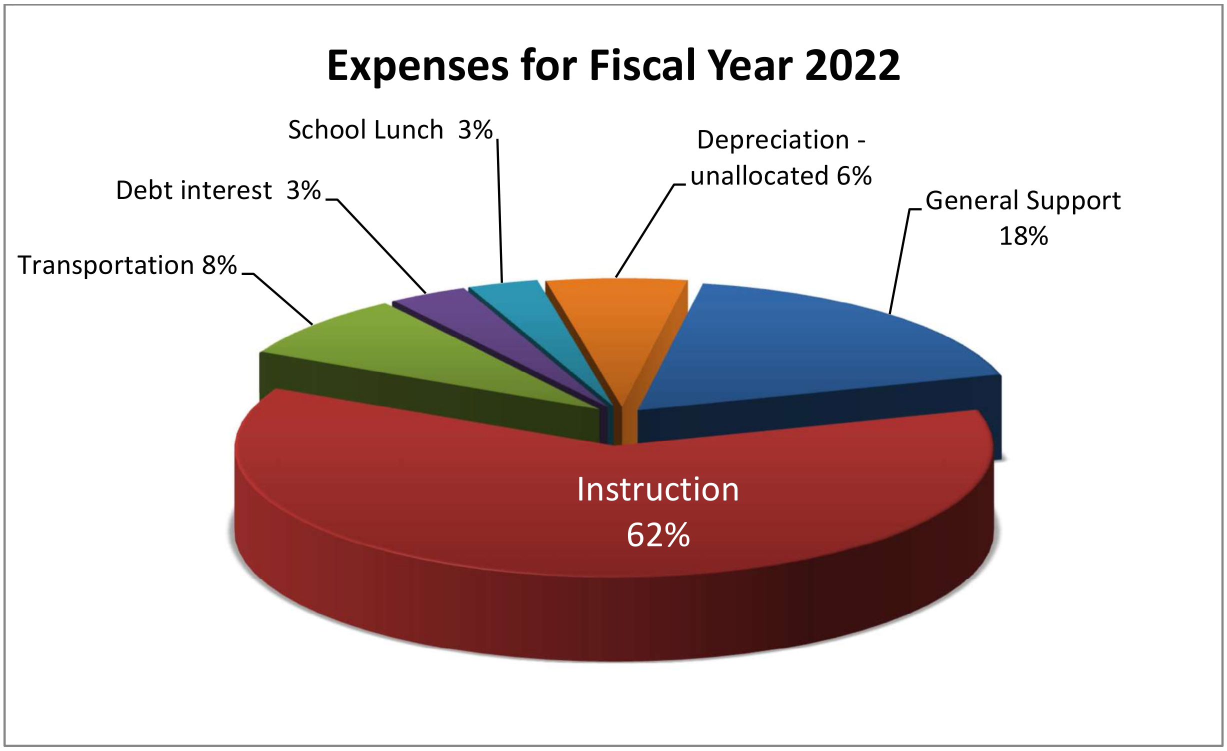
The District's total Net Position increased by $2 million during 2022. The most significant expense for the district was in providing for instuctional services. Instructional expenditures decreased 11.0% mainly due to the decrease in the net pension and OPEB liabilities. Instruction expenses from these long-term liabilities were nearly $880 thousand less in 2022 than 2021. Pupil transportation increased by 13.6% due to increases in fuel prices and COVID-19 supplies purchased with grant funds. Grant revenues increased 25.8% due to additional federal COVID-19 grants received.

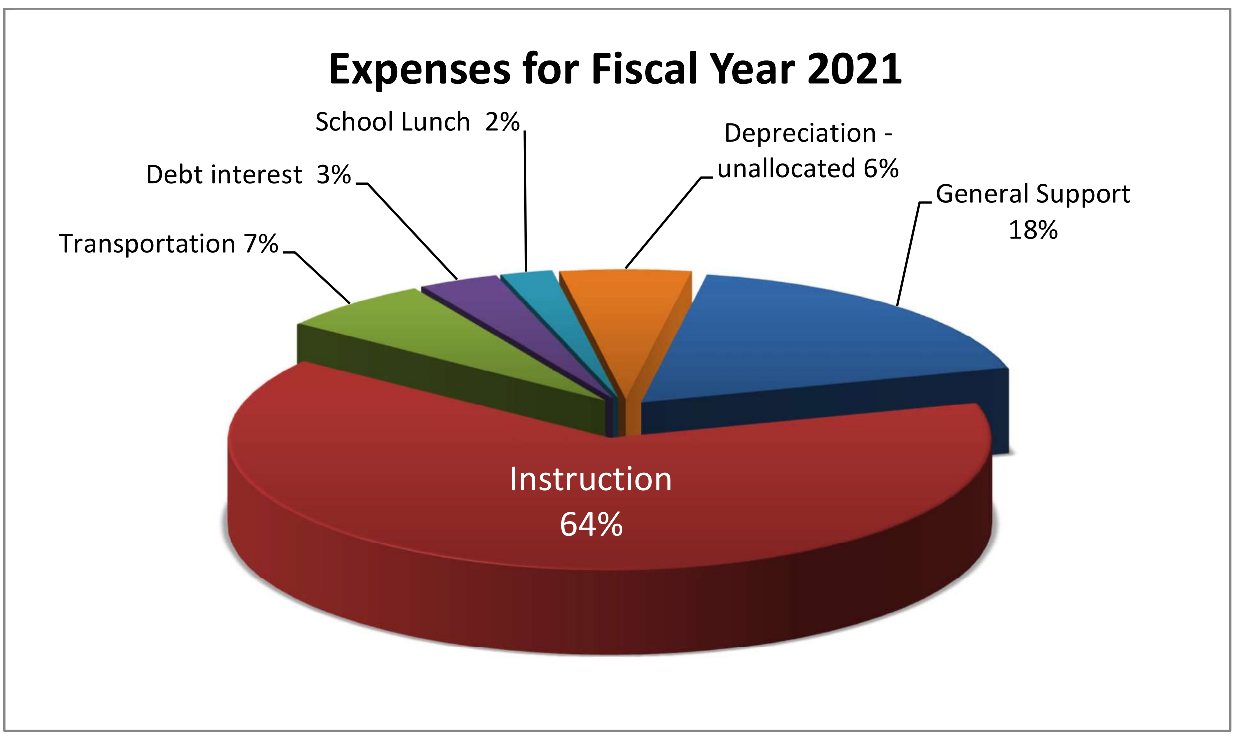
A graphic display of the distribution of revenues for the two years as follows:





A graphic display of the distribution of expenses for the two years as follows:





FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2022, the District governmental funds reported a combined fund balance of $6.19 million, which is an increase of $390 thousand from the prior year. A summary of the change in fund balance is as follows:

	2021	2022	Increase (Decrease)
General Fund			
Restricted for:			
Workers compensation	$ 53,458	$ 38,530	$ (14,928)
Unemployment	125,194	124,333	(861)
Retirement contributions - ERS	88,638	73,752	(14,886)
Retirement contributions - TRS	43,323	43,343	20
Tax Certiorari	78,671	78,729	58
Employee benefit accrued liability	444,154	444,154	-
Capital	2,314,048	2,235,998	(78,050)
Repairs	387,089	387,610	521
Student deposits	92,310	99,225	6,915
Assigned to:			
Encumbrances	22,151	72,889	50,738
Subsequent year's expenditures	288,382	231,479	(56,903)
Unassigned	1,293,699	2,459,687	1,165,988
	5,231,117	6,289,729	1,058,612
Special Aid Fund			
Restricted for:			
Grants	186,993	42,568	(144,425)
	186,993	42,568	(144,425)
School Lunch Fund			
Nonspendable:			
Inventory	3,865	8,842	4,977
Assigned (unassigned)	37,353	47,691	10,338
	41,218	56,533	15,315
Library Fund			
Assigned (unassigned)	21,371	20,637	734
	21,371	20,637	734
Debt Service Fund			
Restricted for:			
Debt	362,891	363,290	399
	362,891	363,290	399
Capital Projects Fund			
Restricted for:			
Unassigned	(36,768)	(576,927)	(540,159)
	(36,768)	(576,927)	(540,159)
Total Fund Balance	$ 5,806,822	$ 6,195,830	$ 390,476

Combined decreases of $101 thousand to the general fund restricted fund balances during the year ended June 30, 2022, includes $78 thousand deducted from the capital reserve for a bus purchase.

CHANGE IN GENERAL FUND'S UNASSIGNED FUND BALANCE

Opening, Unassigned Fund Balance	$ 1,293,699
Revenues	9,954,419
Expenditures	(8,825,175)
Other financing sources	-
Other financing uses	(70,632)
Net (increase) decrease in Restricted Funds	101,211
Net (increase) decrease in Nonspendable Funds	-
Net (increase) decrease in Assigned Funds	6,165
Other changes in fund balance	-
Closing, Unassigned Fund Balance	$ 2,459,687

The opening unassigned fund balance is the portion of the District's June 30, 2021 carryover funds that were not specifically identified to a budget category. This was twelve percent of the District's approved 2021-22 operating budget.

Based on the summary of changes shown above, the District will begin the 2022-23 fiscal year with an unassigned fund balance of $2.45 million or 23 percent of the 2022-23 approved operating budget.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District tries to balance the needs of our students with that of our taxpayers. For the 2021-22 fiscal year, the District had a tax increase of 1.9%, within the tax cap limit. Taxes collected agreed to budgeted levels. The primary reason total revenues came in under budget was less than anticipated state aid. The District had minimal variances in actual revenue compared to budget. The District budgeted for revenues of $9.95 million and had actual revenues of $9.95 in the fiscal year 2021-22.

Actual expenditures came in approximately $1.48 million less than the final budget for 2021-22. Increases in special education expenditures were $321 thousand less than anticipated. Employee benefits were $244 thousand less than budgeted while regular school teaching services were $220 thousand less than expected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had invested $20 million in a broad range of capital assets, including land, land improvements, buildings, furniture, equipment and vehicles. Depreciation expense for the year was $748 thousand. The following schedule is the net value of these assets, which includes additions, deletions and depreciation. Additional detail information is included in *Note 6* to the financial statement.

Capital Assets (Net of Depreciation) (In Thousands)

	Governmental Activities and Total School District		Total Percentage
	2021	2022	Change
Land	$ 47	$ 47	0.0%
Outdoor improvements	58	51	-12.1%
Buildings and improvements	18,765	18,367	-2.1%
Furniture, equipment and vehicles	1,061	1,103	4.0%
Construction in progress	95	623	555.8%
	$ 20,026	$ 20,191	0.8%

Debt Administration

The District has outstanding debt in serial bonds of $8.5 million. Additional detail information is included in *Note 8* to the financial statement.

Outstanding Long Term Debt (In Thousands)

	Total School District		
	2021	2022	Change
General Obligation Bonds, net	$ 9,720	$ 8,545	-12.1%
Unamortized Bond Premiums	364	297	-18.4%
Compensated Absences	91	59	-35.2%
Termination Benefits Payable	42	55	31.0%
Other Post Employment Benefits	3,255	2,827	-13.1%
Net Pension Liability - Proportionate Share	411	-	-100.0%
Total	$ 13,883	$ 11,783	-15.1%

Total long-term debt includes all bonds and installment loans. The District has paid over $1.1 million in principal on its outstanding serial bonds. The constitutional debt limit allows the District to have outstanding debt equal to or less than ten percent of the full value on the most recent tax roll. At June 30, 2022 the outstanding debt of the District represented approximately 50.3 percent the debt limit. Other debt represents bond premiums and accrued liabilities related to payroll and employee benefits.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The final NYS Budget for the 2022-2023 fiscal year provided a 3% increase in Foundation Operating Aid as proposed by the Executive Budget in January of 2022. This increase along with Federal Aid planned as part of the Covid-19 health pandemic relief, and allocated in the form of CRRSA-ESSER II, ARP (American Rescue Plan) ESSER III Aid, and ARP-ESSER State Reserves Aid, provided resources that placed the district in a promising position to fund personnel and meet students' needs for the 2022-2023 school year.

The School District will attempt to fund reserves to adequate levels in preparation of years to come.

REQUESTS FOR INFORMATION

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

Treasurer
Laurens Central School District
55 Main Street PO Box 301
Laurens, Laurens 13796

Basic Financial Statements

Laurens Central School District
Statement of Net Position
June 30, 2022

ASSETS	
Cash	
Unrestricted	$ 2,298,798
Restricted	3,931,532
Receivables	
Accounts receivable	1,039
State and federal aid	800,957
Due from fiduciary funds	724,058
Due from other governments	1
Inventories	8,842
Bond issuance costs - prepaid insurance	5,037
Capital assets:	
Not being depreciated	670,275
Being depreciated, net of accumulated depreciation	19,521,459
Net pension asset - proportionate share	2,647,694
Total Assets	30,609,692
DEFERRED OUTFLOW OF RESOURCES	
OPEB	685,280
Pensions	1,924,169
Defeasance Loss	232,925
Total Deferred Outflows of Resources	2,842,374
LIABILITIES	
Payables	
Accounts payable	408,731
Accrued liabilities	43,491
Accrued interest	11,029
Due to fiduciary funds	4,248
Due to other governments	863
Unearned revenues	125,783
Long-term liabilities	
Due and payable within one year	
Due to teachers' retirement system	249,724
Due to employees' retirement system	31,558
Bonds payable, net	1,200,000
Due and payable after one year	
Bonds payable, net	7,345,000
Unamortized bond premiums	297,292
Compensated absences payable	58,567
Termination benefits payable	55,000
Other postemployment benefits payable	2,827,125
Total Liabilities	13,363,411
DEFERRED INFLOWS OF RESOURCES	
Pensions	3,606,337
OPEB	688,664
Total Deferred Inflows of Resources	4,295,001
NET POSITION	
Net investment in capital assets	11,009,617
Restricted	3,931,532
Unrestricted (deficit)	852,505
Total Net Position	$ 15,793,654

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

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Laurens Central School District
Statement of Net Activities and Changes in Net Position
For the year ended June 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 1,571,470	$ -	$ -	$ (1,571,470)
Instruction	5,487,848	67,839	700,389	(4,719,620)
Pupil transportation	712,116	4,702	39,506	(667,908)
Community service	6,213	-	-	(6,213)
Debt service - interest	299,142	-	-	(299,142)
Depreciation - unallocated	533,979	-	-	(533,979)
Food service	266,812	42,845	250,089	26,122
Total Functions and Programs	$ 8,877,580	$ 115,386	$ 989,984	(7,772,210)
GENERAL REVENUES				
Real property taxes				$ 2,440,273
Other tax items				401,036
Use of money and property				6,467
Sale of property and compensation for loss				3,930
State sources				6,714,572
Miscellaneous				273,428
Total General Revenues				9,839,706
Change in Net Position				2,067,496
Total Net Position - Beginning of year				13,726,158
Total Net Position - End of year				$ 15,793,654

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Laurens Central School District
Balance Sheet – Governmental Funds
June 30, 2022

	General	Special Aid	School Food Service	Library	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 1,527,439	$ -	$ 55,473	$ 20,416	$ -	$ 695,471	$ 2,298,799
Restricted	3,931,532	-	-	-	-	-	3,931,532
Receivables							
Accounts receivable	125	-	914	-	-	-	1,039
State and federal aid	333,729	415,144	52,084	-	-	-	800,957
Due from other funds	112,235	-	-	221	363,290	-	475,746
Due from fiduciary funds	724,058	-	-	-	-	-	724,058
Due from other governments	1	-	-	-	-	-	1
Inventories	-	-	8,842	-	-	-	8,842
Total Assets	$ 6,629,119	$ 415,144	$ 117,313	$ 20,637	$ 363,290	$ 695,471	$ 8,240,974
LIABILITIES							
Payables							
Accounts payable	$ 25,023	$ 60,588	$ 1,046	$ -	$ -	$ 322,075	$ 408,732
Accrued liabilities	28,382	-	86	-	-	-	28,468
Other liabilities - overdraft payable	-	15,023	-	-	-	-	15,023
Due to other funds	-	173,502	56,921	-	-	245,323	475,746
Due to fiduciary funds	4,248	-	-		-	-	4,248
Due to other governments	455	-	407	-	-	-	862
Due to Teachers' Retirement System	249,724	-	-	-	-	-	249,724
Due to Employees' Retirement System	31,558	-	-	-	-	-	31,558
Bond anticipation note	-	-	-	-	-	705,000	705,000
Unearned revenues	-	123,463	2,320	-	-	-	125,783
Total Liabilities	339,390	372,576	60,780	-	-	1,272,398	2,045,144
DEFERRED INFLOWS OF RESOURCES							
Revenue not earned due to time restrictions	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	8,842	-	-	-	8,842
Restricted	3,525,674	42,568	-	-	363,290	-	3,931,532
Assigned							
Appropriated	231,479	-	-	-	-	-	231,479
Unappropriated	72,889	-	47,691	20,637	-	-	141,217
Unassigned	2,459,687	-	-	-	-	(576,927)	1,882,760
Total Fund Balances	6,289,729	42,568	56,533	20,637	363,290	(576,927)	6,195,830
Total Liabilities, Deferred Inflows and Fund Balances	$ 6,629,119	$ 415,144	$ 117,313	$ 20,637	$ 363,290	$ 695,471	$ 8,240,974

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

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

Amounts reported for governmental activities in the statement of Net Position are different due to the following:	
Total fund balances - governmental funds	$ 6,195,830
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,191,734
Certain assets are not financial resources and, therefore are not reported in the funds.	
Defeasance Loss	232,925
Bond Issuance Costs - Prepaid Insurance	5,037
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds:	
Compensated Absences	(58,567)
Termination Benefits	(55,000)
Accrued Interest on Long Term Debt	(11,029)
Serial Bonds	(8,545,000)
Unamortized Bond Premiums	(297,292)
Proportionate share of long-term asset and liability associated with participation in other postemployment benefits plan are not current financial resources or obligations and are not reported in the funds.	(2,830,510)
Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.	
Teachers' Retirement System	1,386,286
Employees' Retirement System	(420,760)
Net Position of Governmental Activities:	$ 15,793,654

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Laurens 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 Food Service	Library	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	$ 2,440,273	$ -	$ -	$ -	$ -	$ -	$ 2,440,273
Other tax items	401,036	-	-	-	-	-	401,036
Charges for services	96,273	-	-	-	-	-	96,273
Use of money and property	6,041	-	26	1	399	-	6,467
Sale of property and compensation for loss	15,190	-	-	-	-	-	15,190
State sources	6,714,572	39,506	4,753	-	-	-	6,758,831
Federal sources	32,081	654,120	245,336	-	-	-	931,537
Sales - school lunch	-	-	42,845	-	-	-	42,845
Miscellaneous	248,953	14,188	742	-	-	-	263,883
Total Revenues	9,954,419	707,814	293,702	1	399	-	10,956,335
EXPENDITURES							
General support	1,329,177	-	128,829	-	-	-	1,458,006
Instruction	3,729,391	473,861	-	-	-	-	4,203,252
Pupil transportation	517,942	395,388	-	-	-	-	913,330
Community service	5,478	-	-	735	-	-	6,213
Employee benefits	1,723,752	-	10,654	-	-	-	1,734,406
Debt service							
Principal	1,220,000	-	-	-	-	-	1,220,000
Interest	299,435	-	-	-	-	-	299,435
Cost of sales	-	-	138,904	-	-	-	138,904
Capital outlay	-	-	-	-	-	638,781	638,781
Total Expenditures	8,825,175	869,249	278,387	735	-	638,781	10,612,327
Excess (Deficiency) of Revenues over Expenditures	1,129,244	(161,435)	15,315	(734)	399	(638,781)	344,008
OTHER FINANCING SOURCES AND USES							
Bond anticipation notes redeemed from appropriations	-	-	-	-	-	45,000	45,000
Operating transfers in	-	17,010	-	-	-	53,622	70,632
Operating transfers (out)	(70,632)	-	-	-	-	-	(70,632)
Total Other Sources (Uses)	(70,632)	17,010	-	-	-	98,622	45,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	1,058,612	(144,425)	15,315	(734)	399	(540,159)	389,008
Fund Balances - Beginning of year	5,231,117	186,993	41,218	21,371	362,891	(36,768)	5,806,822
Fund Balances - End of year	$ 6,289,729	$ 42,568	$ 56,533	$ 20,637	$ 363,290	$ (576,927)	$ 6,195,830

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Laurens Central School District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2022

Net Changes in Fund Balance - Total Governmental Funds		$ 389,008
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, these costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation expense and cost of assets disposed exceeded capital outlays in the period.		
Depreciation Expense	(748,178)	
Retirement/Disposal of Capital Assets	(11,260)	
Capital Outlays	924,511	165,073
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position. This is the amount by which repayment of bond principal exceeded (was less than) the proceeds from issuance of debt for the period.		
Repayment of Bond Principal	1,175,000	
Amortization of Bond premiums	66,522	1,241,522
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in Compensated Absences	19,718	
Change in Other Post Employment Benefits Payable	(158,681)	
Amortization of Bond Issuance Costs	(1,393)	
Amortization of Defeasance Loss	(65,983)	
Change in Accrued Interest	1,147	(205,192)
(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	347,858	
Employees' Retirement System	129,227	477,085
Change in Net Position - Governmental Activities		$ 2,067,496

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Laurens Central School District
Statement of Fiduciary Net Position
June 30, 2022

	Private Purpose Trusts	Custodial Fund
ASSETS		
Cash - unrestricted	$ -	$ 747,915
Cash - restricted	103,931	-
Due from governmental funds	4,248	-
Total Assets	108,179	747,915
LIABILITIES		
Other liabilities	-	2,378
Due to governmental funds	-	724,058
Total Liabilities	-	726,436
NET POSITION		
Restricted	$ 108,179	$ 21,479

Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2022

	Private Purpose Trusts	Custodial Fund
ADDITIONS		
Miscellanous revenues	$ 32,376	$ 3,586
Total Additions	32,376	3,586
DEDUCTIONS		
Contractual expenditures	-	4,449
Scholarships and awards	13,000	-
Total Deductions	13,000	4,449
Change in Net Position	19,376	(863)
Net Position - Beginning of year	88,803	22,342
Net Position - End of Year	$ 108,179	$ 21,479

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A) Reporting Entity

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

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The 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 are included with this report. The district accounts for assets held as an agent for various student organizations in an agency fund.

ii) Scholarship Funds

The Scholarship Funds of the District represent funds of donors. The Board of Education exercises general oversight of these funds. These funds are independent of the District with respect to its financial transactions. Separate audited fiduciary schedules of the Scholarship Funds are included with this report. The district accounts for assets held as an agent for various student organizations in a Trust fund.

B) Joint Venture

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

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

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 $1,162,625 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $403,851. Financial statements for BOCES are available from the ONC BOCES administrative office.

C) Basis of Presentation

i) District-wide statements:

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

The Statement of Activities presents a comparison between direct expenses and program 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.

ii) Fund financial statements:

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. If some funds are treated as non-major, add "All remaining governmental funds are aggregated and reported as non-major funds."

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, school lunch operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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.

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

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

Custodial funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

D) Measurement focus and basis of accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

E) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st, and become a lien on August 31st. Taxes are collected during the period September 2st to October 31st.

Uncollected real property taxes are subsequently enforced by the County in which the District's taxpayer is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1st.

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 with one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

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

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

Refer to note 9 for 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other postemployment benefits, potential contingent liabilities and useful lives of long-lived assets.

I) Cash (and cash equivalents)/Investments

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

Investments are accounted for in the fiduciary funds. The District carries investments in marketable securities and all debt securities with readily determinable fair values at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Fiduciary Net Position. Unrealized gains and losses are included in the change in Net Position in the accompanying Statement of Changes in Fiduciary Net Position

K) Receivable (or Accounts receivable)

Receivables (accounts receivable) 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.

L) 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 inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

M) Other assets/restricted assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

N) Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2014. For assets acquired prior to this date, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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:

Classes of Capital Assets	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land Improvements	$500	Straight Line	20 – 30 Years
Buildings and Improvements	$500	Straight Line	20 – 50 Years
Furniture, Equipment and Vehicles	$500	Straight Line	8 – 20 Years

Capital assets that are not depreciated include land and construction in progress. Certain infrastructure capital assets are accounted for using the modified approach permitted for eligible assets under GASB 34. The modified approach requires that an asset management system be established which assures that an expenditure amount sufficient to preserve the assets in good condition for proper and efficient functioning is budgeted each year in lieu of depreciation. Accordingly, all expenditures made for those assets, other than additions and improvements that increase capacity or efficiency, are charged to expense in the period incurred instead of calculating depreciation. The school district is required to conduct a condition assessment of these assets at least once every three years.

O) 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 government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 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. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second 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 periods between the District’s contributions and its proportion share of total contributions to the pension systems not included in pension expense.

P) Unearned revenues

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

Q) Vested employee benefits

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time:

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

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

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

R) Other benefits

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

In addition to providing pension benefits, the District provides post-employment 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 expense.

S) 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 RAN's and TAN's 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. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

T) Accrued liabilities and long-term obligations

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

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

U) 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. In the absence of a specifically identified use of restricted net position, the District's policy is to use unrestricted net position available prior to using restricted net position.

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 of Use of Fund Balance:

Order of Use of Fund Balance: The District's policy is to apply expenditures against unassigned fund balance, assigned fund balance, committed fund balance, restricted fund balance and non-spendable 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 restricted or assigned fund balance. In the general fund, committed fund balance is determine next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

In the district-wide statements there are three classes of Net Position:

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

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

Unrestricted Net Position – reports all other Net Position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund statements:

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

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes School Lunch Fund inventory of $8,842.

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. All encumbrances of funds other than the General fund are classified as restricted fund balance. The School District has established the following restricted fund balances:

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

Repair Reserve Fund
According to General Municipal Law §6-d, 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.

Employee Benefit Accrued Liability Reserve Fund
According to General Municipal Law §6-p, 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.

Tax Certiorari Reserve Fund
According to Education Law §3651.1-a, 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.

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 Fund
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 in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000.

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

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

Unemployment Insurance Payment Reserve Fund
According to General Municipal Law §6-m, 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 School 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.

Debt Service Reserve Fund
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.

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	$	38,530
Unemployment		124,333
Retirement contributions - ERS		73,752
Retirement contributions - TRS		43,343
Tax Certiorari		78,729
Employee benefit accrued liability		444,154
Capital		2,235,998
Repairs		387,610
Student activities		99,225
Debt Service Fund		363,290
Special Aid Fund		42,568
Total restricted funds	$	3,931,532

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts 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.

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

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 and could report a surplus or deficit. 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. In accordance with state guidelines, unassigned fund balance in the general fund includes the following reserve:

Reserve for Tax Reduction
Reserve for Tax Reduction (Education Law §1604(36) and §1709(37)) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. The reserve is accounted for in the general fund.

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

V) New Accounting Standards

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

- GASB 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.
- GASB has issued Statement No. 92, Omnibus, effective for the year ending June 30, 2022,
- GASB has issued Statement No. 93, Replacement of Interbank Offered Rates (paragraphs 11b, 13 and 14), effective for the year ending June 30, 2022.
- 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 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 2020).

W) Future Changes in Accounting Standards

- GASB has issued Statement No. 91, Conduit Debt Obligations, 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.
- 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 school district will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

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 additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

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

i) Long-term revenue 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.

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) 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.

v) 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.

Note 3 IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2022, the district implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases accounting standard. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of the new standard required a restatement of beginning net position.

Note 4 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

- General Fund

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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. Supplemental appropriations occurred during the year:

- Capital Reserve was appropriated to accommodate a bus purchase.

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.

- Capital Project

  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.

- Special Aid Funds

  Budgets are established by grantors and used for individual program fund expenditures. The maximum program amount authorized is based upon the grantor contracts and agreements not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the program.

  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 reservations 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 District's unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include closely monitoring and adjusting current and future budgets while seeking to provide additional funding to legal reserves.

The following funds had a deficit fund balance at yearend: Capital projects fund. This will be funded when the District obtains long-term financing for its current construction projects.

Note 5 CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Cash

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

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

Undercollateralized	$ -
Collateralized with securities held by the pledging financial institution, or it's trust department or agent, in the District's name	$ 6,614,996

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 $3,931,532 within the governmental funds and $103,931 in the fiduciary 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 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 authorize 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.

Note 6 CAPITAL ASSETS

General fixed assets are carried at estimated historical cost. The values of these assets, including any donated assets, are measured at the most recent cash or cash equivalent price of the asset as established by an independent appraiser. The most recent appraisal date was June 30, 2020. Maintenance, repairs, and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Any costs related to the asset that are incurred after the appraisal date such as additions, improvements, or replacements are added to the value of the asset if they provide future service potential; otherwise, they are expended in the period of occurrence. Proceeds from dispositions of property are included in income.

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 47,488	$ -	$ -	$ 47,488
Construction in progress	94,759	622,787	94,759	622,787
Total nondepreciable historical cost	142,247	622,787	94,759	670,275
Capital assets that are depreciated:				
Outdoor Improvements	207,950	-	-	207,950
Buildings and Improvements	25,785,212	134,523	-	25,919,735
Furniture, Equipment and Vehicles	2,456,565	261,960	77,191	2,641,334
Total depreciable historical cost	28,449,727	396,483	77,191	28,769,019
Less accumulated depreciation:				
Outdoor Improvements	149,920	6,599	-	156,519
Buildings and Improvements	7,019,942	533,064	-	7,553,006
Furniture, Equipment and Vehicles	1,395,451	208,515	65,931	1,538,035
Total accumulated depreciation	8,565,313	748,178	65,931	9,247,560
Total depreciable and non-depreciable historical cost, net	$ 20,026,661			$ 20,191,734

Depreciation expense was charged to governmental functions as follows:	
General support	$ 5,973
Instuctional	115,315
Transportation	92,866
School food service	45
Unallocated	533,979
	$ 748,178

The District does not have infrastructure assets as defined by GASB publications.

The District does not have intangible lease assets as defined by GASB statement no. 87.

Note 7 SHORT-TERM DEBT

The District may issue Revenue Anticipation Notes and Tax Anticipation Notes, 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 an insufficient or no provision is 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, in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. There was no short-term debt outstanding at yearend.

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

	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate	Outstanding Amount
Bond Anticipation Note	12/2/2021	$ 750,000	6/28/2022	0.55%	$ -
Bond Anticipation Note	6/27/2022	705,000	6/27/2023	2.05%	705,000

	Beginning Balance	Issued	Redeemed	Ending Balance
Bond Anticipation Notes:				
Bond Anticipation Note 12/2/2021	$ -	750,000	750,000	$ -
Bond Anticipation Note 6/27/2022	-	705,000	-	705,000
Total	$ -	1,455,000	750,000	$ 705,000

Interest paid on short-term debt during the year was:

Interest paid	$ 2,360
Plus interest accrued in the current year	119
Less interest accrued in the prior year	-
Total interest expense	$ 2,479

Note 8 LONG-TERM DEBT

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

The following is a summary of maturity of bond indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2022
Serial bond dated 2013	11/26/13	6/15/28	3.00 - 4.25%	$ 205,000
Serial bond dated 2015	7/16/15	6/15/30	2.625 - 3.25%	540,000
Refunding bond dated 2015	11/5/15	6/15/28	2.00 - 4.00%	4,515,000
Refunding bond dated 2017	2/1/17	6/15/28	1.50 - 3.00%	1,935,000
DASNY bond dated 2019	6/17/19	6/15/33	5.00%	1,350,000
				$ 8,545,000

Principal and interest payments due on bonds payable is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Premium
2023	$ 1,200,000	$ 269,112	$ 60,745
2024	1,225,000	239,638	54,636
2025	1,260,000	207,730	48,066
2026	1,295,000	173,030	40,946
2027	1,345,000	133,130	32,743
2028 - 2032	2,070,000	173,350	56,990
Thereafter	150,000	7,500	3,166
Total	$ 8,545,000	$ 1,203,490	$ 297,292

Interest paid on long-term debt during the year was:

Interest paid	$ 297,075
Less interest accrued in the prior year	(12,176)
Less amortization of bond premium	(66,522)
Plus interest accrued in the current year	10,910
Plus amortization of issuance costs and deferred outflows	67,376
Total interest expense	$ 296,663

Compensated Absences - Compensated absences represent the value of earned and unused portion of the liability for compensated absences.

Debt Limit- Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five 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 Constitutional and statutory method for determining full valuation consist of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the computation of the debt limit of the School District and its debt contracting margin:

Full Valuation of Taxable Real Property	$ 183,994,099
Debt Limit (10% of Full Valuation)	$ 18,399,410
Outstanding Indebtedness (principal portion)	
Serial Bonds	8,545,000
Bond Anticipation Notes	705,000
Total Indebtedness	9,250,000
Net Debt-Contracting Margin	$ 9,149,410
Percentage of Debt-Contraction Power Exhaused	50.3%

Note 9 INTERFUND BALANCES AND EQUITY

	Receivable	Payable	Revenue	Expense
General Fund	$ 836,293	4,248	$ -	70,632
School Food Service Fund	-	56,921	-	-
Special Aid Fund	-	173,502	17,010	-
Library Fund	221	-	-	-
Capital Projects Fund	-	245,323	53,622	-
Debt Service Fund	363,290	-	-	-
Total Government activities	1,199,804	479,994	70,632	70,632
Custodial	4,248	724,058	-	-
Total	$ 1,204,052	1,204,052	$ 70,632	70,632

All interfund payables are expected to be repaid within one year.

Note 10 PENSION PLANS

General information: The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The 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.

Provisions and administration: A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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 electsto participate in the System, the election isirrevocable. The New York State Constitution providesthat 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. 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. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

Funding policies: The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% 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 TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. 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. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, was:

Contributions	ERS	TRS
2022	$ 162,510	$ 221,078
2021	160,926	221,748
2020	162,863	259,804

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

Since 1989, the ERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised. As a result, the total unpaid liability at the end of the year was $-0-.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERED OUTFLOWS OF RESOURCES AND DEFERED 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 March 31, 2022 for ERS and June 30, 2021 for TRS. 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 ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	3/31/2022	6/30/2021
Net pension asset/(liability)	279,248	2,368,446
District's portion of the Plan's total		
net pension asset/(liability)	0.0034%	0.0137%

For the year ended June 30, 2022, the District's recognized pension expense of $162,510 for ERS and the actuarial value $221,078 for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected				
and actual experience	$ 21,148	$ 326,465	$ 27,430	$ 12,305
Changes of assumptions	466,033	779,031	7,864	137,955
Net difference between projected and				
actual earnings on pension plan investments	61,478	-	914,419	2,478,824
Changes in proportion and differences				
between the District's contributions and				
proportionate share of contributions	-	48,936	19,706	7,834
District's contributions subsequent to				
the measurement date	-	221,078	-	-
	$ 548,659	$ 1,375,510	$ 969,419	$ 2,636,918

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2022	$ -	$ (76,208)
2023	(54,410)	(348,828)
2024	(92,182)	(444,807)
2025	(230,655)	(592,112)
2026	(43,513)	117,195
Thereafter	-	83,352

ACTUARIAL ASSUMPTIONS

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/2022	6/30/2021
Actuarial valuation date	4/1/2021	6/30/2020
Investment rate	5.9%	6.95%
Salary scale	4.4%	1.95 - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
Inflation rate	2.7%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements. 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 AA.

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. 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, 2019.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to 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:

	ERS	TRS
Measurement date	3/31/2022	6/30/2021
Asset Type:		
Domestic equities	3.3%	6.8%
International equities	5.9%	7.6%
Global equity	n/a	7.1%
Private equity	6.5%	10.0%
Real estate equity	5.0%	6.5%
Credit	3.8%	n/a
Opportunistic portfolio	4.1%	n/a
Real assets	5.8%	n/a
Domestic fixed income	n/a	1.3%
Global fixed income	n/a	0.8%
Bonds and mortgages	0.0%	n/a
High-yield fixed income	n/a	3.8%
Cash	-1.0%	-0.2%
Inflation-indexed bonds	n/a	n/a
Private debt	n/a	5.9%
Real estate debt	n/a	3.6%

DISCOUNT RATE

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

SENISITIVITY OF THE PROPORTIONATE SHARE FO 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 5.9% for ERS and 6.95% for TRS, 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-percentagepoint lower (4.9% for ERS and 5.95% for TRS) or 1-percentagepoint higher (6.9% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	$ (718,780)	$ 279,248	$ 1,114,050

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$ 248,534	$ 2,368,446	$ 4,150,078

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:

	(Dollars in Thousands)		
	ERS	TRS	Total
Valuation date	4/1/2021	6/30/2020	
Employers' total pension liability	$ 223,874,888	$ 130,819,415	$ 354,694,303
Plan Net Position	232,049,473	148,148,457	380,197,930
Employers' net pension asset/(liability)	$ (8,174,585)	$ (17,329,042)	$ (25,503,627)
Ratio of plan net position to the Employers' total pension asset/(liability)	103.65%	113.2%	107.2%

PAYABLES TO THE PENSION PLAN

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, 2021 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 $31,558.

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, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $249,724.

Note 11 POST-EMPLOYMENT BENEFITS

The District provides post- employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

Summary of Plan Provisions

Eligibility - Employees are eligible for lifetime retiree health benefits once they are eligible to retire under the respective rules of the New York State and Local Employees Retirement System (ERS) and the New York State Teachers Retirement System (TRS), as well as the provisions of the District' agreements with its employees. Below are the required years of service to qualify for retiree health benefits applicable to District employees:

- *Teachers and support staff:* All years of service.

- *Individual contracts:* 15 years of service.
- *Superintendent:* 20 years of service.
- *Principal and Instructional support services:* 25 years of service.

Spouse benefits – Employees are allowed to elect spousal coverage at retirement.

District subsidy – The District subsidizes pre-Medicare medical and prescription drug coverage as a percentage of premiums depending on employee group and hire date. Subsidies range from 80-100% for single coverage and 45-100% for family coverage.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Actives	74
Retirees	7
	81

Total OPEB Liability

The District's total OPEB liability of $2,827,125 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:
A discount rate of 2.05% was used based on the Bond Buyer General Obligation 20-Bond Municipal Index as of December 31, 2021.

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standards discounting unfunded liabilities based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Inflation
2.5%

Medical Trend:
5.7% initially scaling down to 4.04% over 55 years.

Changes in Total OPEB Liability

	June 30, 2022
Total OPEB Liability Beginning of Year	$ 3,255,242
Changes in total OPEB Liability:	
Service cost	188,085
Interest	71,962
Differences between expected and actual experience	(513,725)
Effect of assumptions changes or inputs	(76,120)
Benefit payments	(98,319)
Total OPEB Liability End of Year	$ 2,827,125

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 (1.05 percent) or 1 percentage point higher (3.05 percent) than the current discount rate:

	Discount Rate		
	1% Decrease	Baseline Rate 2.05%	1% Increase
Total OPEB Liability	$ 3,242,787	$ 2,827,125	$ 2,486,634

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.7 percent) or 1 percentage point higher (6.7 percent) than the current healthcare cost trend rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline Rate 5.7% Decreasing	1% Increase
Total OPEB Liability	$ 2,426,015	$ 2,827,125	$ 3,352,078

<u>OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>

For the year ended June 30, 2022, the District recognized OPEB expense of $257,001. 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	$ 77,894	$ 567,218
Changes of assumptions	607,386	121,446
	$ 685,280	$ 688,664

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	$ (3,046)
2024	(3,046)
2025	(3,046)
2026	(3,046)
2027	(3,046)
Thereafter	11,846
	$ (3,384)

Note 12 RISK MANAGEMENT

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.

Note 13 CONTINGENCIES AND COMMITMENTS

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

Contingent Liability for Sick Leave:
The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness).

Potential Liability to New York State:
The District has receives state aid revenue sharing and grants, which are subject to audit by New York State Comptroller's Office. Such audits may result in adjustments to revenues. Based on prior audits, the district's administration believes any adjustments will be immaterial.

Note 14 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

None of the funds had an excess of actual expenditures over budget for the year.

Note 15 DONOR RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships. Donor-restricted endowments of $103,931 and are reported at fair value. The amount of donor-restricted endowments that is available for authorization for expenditure by the District is $103,931. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donors.

Note 16 RESTATEMENT FOR CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2022, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 87, Leases. This pronouncement requires restatement of the June 30, 2021 net position of the government activities as follows:

	Governmental Activities
Net position, June 30, 2021 as previously reported	$ 13,726,158
Effect of GASB 87 implementation	-
Net position, June 30, 2021 as restated	$ 13,726,158

The pronouncement also requires restatement of the June 30, 2021 fund balance of the Governmental Funds as follows:

	Governmental Funds
Fund balance, June 30, 2021 as previously reported	$ 5,806,822
Effect of GASB 87 implementation	-
Fund balance, June 30, 2021 as restated	$ 5,806,822

Note 17 TAX ABATEMENTS

The District does not have any property tax abatement agreements in place as of June 30, 2022. The District is not subject to any tax abatement agreements entered into by other governmental entities as of June 30, 2022.

Note 18 SUBSEQUENT EVENTS

The district has evaluated events through the date which the financial statements were available to be issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Required Supplementary Information

Laurens Central School District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (non-GAAP basis) 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	$ 2,836,202	$ 2,836,202	$ 2,440,273	$ (395,929)
Other tax items	7,000	7,000	401,036	394,036
Charges for services	2,000	2,000	96,273	94,273
Use of money and property	2,000	2,000	6,041	4,041
Sale of property and compensation for loss	-	-	15,190	15,190
Miscellaneous	125,000	163,380	248,953	85,573
Total Local Sources	2,972,202	3,010,582	3,207,766	197,184
State Sources	6,967,263	6,967,263	6,714,572	(252,691)
Federal Sources	-	-	32,081	32,081
Total Revenues	9,939,465	9,977,845	9,954,419	(23,426)
OTHER FINANCING SOURCES				
Transfers from other funds	15,000	15,000	-	
Appropriated reserves	-	102,001	-	
Appropriated fund balance	288,382	288,382	-	
Total Other Financing Sources	303,382	405,383	-	
Total Revenues & Other Financing Sources	$ 10,242,847	$ 10,383,228	$ 9,954,419	

Laurens Central School District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (non-GAAP basis) and Actual – General Fund For the year ended June 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 21,782	$ 19,482	$ 13,680	$ -	$ 5,802
Central administration	163,942	163,942	147,423	-	16,519
Finance	151,470	153,294	132,728	-	20,566
Staff	53,132	53,608	51,645	-	1,963
Central services	995,900	1,002,856	812,122	66,369	124,365
Special items	141,400	179,780	171,579	-	8,201
Total General Support	1,527,626	1,572,962	1,329,177	66,369	177,416
Instruction					
Instruction, administration and improvement	206,140	206,140	186,378	-	19,762
Teaching - regular school	2,016,466	2,020,080	1,715,424	-	304,656
Programs for children with handicapping conditions	1,531,948	1,536,126	1,266,745	-	269,381
Occupational education	-	-	-	-	-
Teaching - special school	75,687	75,687	3,723	-	71,964
Instructional media	232,536	228,598	205,964	6,521	16,113
Pupil services	387,428	396,156	351,157	-	44,999
Total Instruction	4,450,205	4,462,787	3,729,391	6,521	726,875
Pupil Transportation	606,796	689,259	517,942	-	171,317
Community Services	6,106	6,106	5,478	-	628
Employee Benefits	1,968,000	1,968,000	1,723,752	-	244,248
Debt Service Principal	1,225,000	1,225,000	1,220,000	-	5,000
Debt Service Interest	312,076	312,076	299,435	-	12,641
Capital Outlay	0	0	-	-	-
Total Expenditures	10,095,809	10,236,190	8,825,175	72,890	1,338,125
OTHER FINANCING USES					
Transfers to other funds	147,038	147,038	70,632	-	76,406
Total Other Financing Uses	147,038	147,038	70,632	-	76,406
Total Expenditures and Other Uses	$ 10,242,847	$ 10,383,228	$ 8,895,807	$ 72,890	$ 1,414,531
Net change in fund balances			1,058,612		
Fund balance - beginning			5,231,117		
Fund balance - ending			$ 6,289,729		

Laurens Central School District

Changes in Total OPEB Liability and Related Ratios
For the year ended June 30, 2022

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability Beginning of Year	$ 3,255,242	$ 2,992,299	$ 2,393,098	$ 2,149,303	$ 2,115,646
Changes in total OPEB Liability:					
Service cost	188,085	162,041	51,247	92,606	95,311
Interest	71,962	85,149	42,329	85,872	75,740
Differences between expected and actual experience	(513,725)	(142,166)	100,804	-	-
Effect of assumptions changes or inputs	(76,120)	251,953	427,867	111,757	(83,538)
Benefit payments	(98,319)	(94,034)	(23,046)	(46,440)	(53,856)
Total OPEB Liability End of Year	$ 2,827,125	$ 3,255,242	$ 2,992,299	$ 2,393,098	$ 2,149,303
Covered payroll	$ 3,252,189	$ 3,644,504	$ 3,464,493	$ 3,351,388	$ 3,348,477
Net OPEB Liability as a percentage of Covered payroll	86.93%	89.32%	86.37%	71.41%	64.19%

Note:
The District does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Ten 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.

Laurens Central School District

Schedule of District's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2022

NYSLRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)	0.0034%	0.0032%	0.0034%	0.0036%	0.0035%	0.0034%	0.0037%	0.0038%
District's proportionate share of the net pension liability (asset)	$ (279,248)	$ 3,158	$ 898,329	$ 253,899	$ 112,693	$ 316,787	$ 589,623	$ 128,546
District's covered-employee payroll	$ 1,003,148	$ 1,102,233	$ 1,081,725	$ 1,052,732	$ 977,594	$ 931,723	$ 989,984	$ 971,677
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-27.84%	0.29%	83.05%	24.12%	11.53%	31.43%	59.56%	13.23%
Plan fiduciary net position as a percentage of total pension liability	103.65%	99.95%	86.39%	96.30%	98.24%	94.70%	90.70%	97.90%

TRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)	0.0137%	0.0147%	0.0147%	0.0146%	0.0149%	0.0152%	0.0150%	0.0150%
District's proportionate share of the net pension liability (asset)	$ (2,368,446)	$ 407,461	$ (380,770)	$ (264,620)	$ (113,464)	$ 163,281	$ (1,554,363)	$ (1,667,822)
District's covered-employee payroll	$ 2,319,811	$ 2,502,799	$ 2,446,365	$ 2,383,704	$ 2,365,520	$ 2,352,466	$ 2,247,912	$ 2,211,643
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-102.10%	16.28%	-15.56%	-11.10%	-4.80%	6.94%	-69.15%	-75.41%
Plan fiduciary net position as a percentage of total pension liability	113.25%	97.76%	102.17%	101.50%	100.66%	99.01%	110.46%	111.50%

Laurens Central School District

Schedule of District's Contributions
For the year ended June 30, 2022

NYSLRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution	$ 162,510	$ 160,926	$ 162,863	$ 161,068	$ 151,527	$ 144,417	$ 174,699	$ 191,197
Contributions in relation to the contractually required contribution	$ 162,510	$ 160,926	$ 162,863	$ 161,068	$ 151,527	$ 144,417	$ 174,699	$ 191,197
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,003,148	$ 1,102,233	$ 1,081,725	$ 1,052,732	$ 977,594	$ 931,723	$ 989,984	$ 971,677
Contributions as a percentage of covered-employee payroll	16.20%	14.60%	15.06%	15.30%	15.50%	14.33%	17.65%	19.68%

TRS PENSION PLAN

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution	$ 221,078	$ 221,748	$ 259,804	$ 233,603	$ 277,239	$ 311,937	$ 394,059	$ 359,392
Contributions in relation to the contractually required contribution	$ 221,078	$ 221,748	$ 259,804	$ 233,603	$ 277,239	$ 311,937	$ 394,059	$ 359,392
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,319,811	$ 2,502,799	$ 2,446,365	$ 2,383,704	$ 2,365,520	$ 2,352,466	$ 2,247,912	$ 2,211,643
Contributions as a percentage of covered-employee payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%

Supplementary Information

Laurens Central School District

Schedule of Change from Original Budget to Revised Budget
And Section 1318 of Real Property Tax Law Limit Calculation
For the year ended June 30, 2022

Change from Adpoted Budget to Revised Budget

Adopted Budget	$	10,242,847
Add: Prior year's encumbrances		22,151
Original Budget		10,264,998
Budget revision:		
Capital Reserve Appropriations - Bus Purchase		79,850
Final budget	$	10,383,228
Next year's budget is a voter approved budget of	*$*	*10,288,927*

Section 1318 of Real Property Tax Law Limit Calculation

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law

Subsequent year's voter-approved budget	$	10,288,927
Maximum allowed percentage		4%
Limit of unexpended surplus funds	$	411,557
General fund balance		
Restricted	$	3,525,674
Assigned		304,368
Unassigned		2,459,687
Total governmental - general fund balance	$	6,289,729
Less:		
Restriced not subject to the law	$	(3,525,674)
Appropriated for subsequent year's budget in assigned		(231,479)
Encumbrances included in assigned		(72,889)
		(3,830,042)
General fund balance subject to limit	$	2,459,687
Calculated actual precentage		23.906%

Laurens Central School District

Schedule of Project Expenditures-
Capital Projects Fund
For the year ended June 30, 2022

	Original Appropriation	Revised Appropriation	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
PROJECT TITLE						
Building Project 2022	$ 3,500,000	3,500,000	36,630	586,157	622,787	$ 2,877,213
Water Heater System 2021-22	100,000	100,000	137	52,624	52,761	47,239
	$ 3,600,000	3,600,000	36,767	638,781	675,548	$ 2,924,452

	Methods of Financing: Proceeds of Obligations	Methods of Financing: Federal and State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance 6/30/22
PROJECT TITLE					
Building Project 2022	$ 45,000	-	-	45,000	$ (577,787)
Water Heater System 2021-22	-	-	53,621	53,621	860
	$ 45,000	-	53,621	98,621	$ (576,927)

Invested in Capital Assets, Net of Related Debt
June 30, 2022

Capital assets, net		$ 20,191,734
Add:		
Bond issuance cost - prepaid insurance	5,037	
Defeasance loss	232,925	
Unspent debt proceeds	127,213	365,175
Deduct:		
BANs payable	705,000	
Unamortized bond premiums	297,292	
Short-term portion of bonds payable	1,200,000	
Long-term portion of bonds payable	7,345,000	9,547,292
Investment in capital assets, net of related debt		$ 11,009,617

Report on Internal Control and Compliance in Accordance with Government Auditing Standards

CWYNAR, FARROW & LOCKE, CPAs
A Professional Limited Liability Company
43 S Broad Street
Norwich, New York 13815
(607) 334-3838 voice
(607) 441-1101 fax
www.Cwynar.com

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

To the Board of Education
Laurens Central School District
Laurens, NY

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 Laurens Central School District as of and for the year ended June 30, 2022, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Laurens Central School District's internal control over financial reporting (internal control) to determine 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 Laurens Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Laurens 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.

Compliance and Other Matters

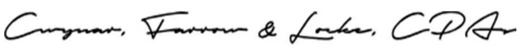
As part of obtaining reasonable assurance about whether Laurens Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 one instances of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the schedule of findings and questioned costs as item LCSD-22.01.

School District's Response to Finding

Government Auditing standards requires the auditor to performed limited procedures on the School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



December 31, 2022
Norwich, New York

Report on Internal Control and Compliance for each Major Program Required by Uniform Guidance

CWYNAR, FARROW & LOCKE, CPAs
A Professional Limited Liability Company
43 S Broad Street
Norwich, New York 13815
(607) 334-3838 voice
(607) 441-1101 fax
www.Cwynar.com

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

To the Board of Education
Laurens Central School District
Laurens, NY

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Laurens Central School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Laurens Central School District's major federal programs for the year ended June 30, 2022. Laurens 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, Laurens 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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Laurens Central School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Laurens 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 maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Laurens Central School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Laurens 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Laurens Central School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Laurens 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 Laurens 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 Laurens 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.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Norwich, New York
December 31, 2022

Laurens 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	Agency or Pass-through Number	Total Federal Expenditure
United States Department of Agriculture			
Passed through New York State Education Department			
Child Nutrition Cluster:			
Cash Assistance			
National School Breakfast Program	10.553		$ 51,909
National School Lunch Program	10.555		143,813
National Summer Food Service Program	10.559		37,510
Cash Assistance subtotal			233,232
Noncash Assistance			
National School Lunch Program (food distribution)	10.555		12,104
Total Passed through New York State Education Department			245,336
Total Child Nutrition Cluster			245,336
Total U.S. Department of Agriculture			$ 245,336
United States Department of Education			
Passed through New York State Education Department			
Special Education Cluster:			
Special Education–Grants to States (IDEA, Part B)	84.027	0032-22-0723	101,763
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-22-0723	2,750
Total Special Education Cluster			104,513
COVID-19 - Education Stabilization Funds:			
ESF Section 1 - Elementary and Secondary Education:			
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	5895-21-2390	5,179
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-2390	192,594
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP - ESSER)	84.425U	5880-21-2390	195,436
Total ESF Section 1 - Elementary and Secondary Education			393,209
Total COVID-19 Education Stabilization Funds			393,209
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-22-2390	166,530
Supporting Effective Instruction State Grants	84.367	0147-22-2390	15,000
Student Support and Academic Enrichment Program	84.424	0204-22-2390	22,188
Total Passed through New York State Education Department			701,440
Direct Program			
Small, Rural School Achievement Program	84.358	S358A213030	14,267
Total U.S. Department of Education			$ 715,707
Total Expenditures of Federal Awards			$ 961,043

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) 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. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District's financial statements. 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 presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

2. Summary of Certain Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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. The federal expenditures are recognized under the Uniform Guidance.

3. Scope of Audit

The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

4. Non-Cash Assistance

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2022, the District received food commodities totaling $12,104.

5. Indirect Cost Rate

The District did not elect to use the 10% de minimus cost rate. Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

6. Other Disclosures

No insurance is carried specifically to cover equipment purchased with federal funds. Equipment purchased with federal funds is covered by the District's casualty insurance policies. There were no loans or loan guarantees outstanding at year-end.

Schedule of Findings and Questioned Costs
For the Year Ended
June 30, 2022

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued…………………………………………………………….	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?..	No
• Significant deficiency(ies) identified?..	No
Noncompliance material to financial statements noted……………………………………	Yes

Federal Awards:

Internal Control over major programs:	
• Material weakness(es) identified?..	No
• Significant deficiency(ies) identified?..	No
Type of auditor's report issued on compliance for major programs……..………………..	Unmodified
Any audit findings relative to major federal award programs in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Controls Over Compliance in Accordance with Section 2 CFR-200.516(a)?	No

The threshold for distinguishing Types A and B programs was $750,000.

Laurens Central School District did not qualify as a low-risk auditee.

Identification of Major Programs:	**CFDA Number**
COVID-19 Education Stabilization Funds…………………………………………………..	84.425
Assistance listing No. with Alpha:	
Governor's Emergency Education Relief (GEER) Fund…………………………………..	84.425C
Elementary and Secondary School Emergency Relief (ESSER) Fund………………….	84.425D
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)…………………………………………………………………………………	84.425U

Section II – Financial Statement Findings

<u>Finding Reference LCSD-22.01 – Excess Fund Balance:</u>

Criteria:
The School District's unreserved, unrestricted fund balance was in excess of the New York State Real Property Tax Law 1318 limit, which restricts it to an amount not greater than four percent of the School District's budget for the upcoming year.

Condition:
General fund unreserved, unrestricted fund balance exceeded four percent of the School District's budget for the upcoming year.

Questioned Costs:
None.

Cause and Effect:
The District generated a surplus in the general fund that caused fund balance to exceed limitations.

Recommendation:
We recommend that management take the excess fund balance into consideration when preparing future budgets.

Management's Response:
School District management will ensure the excess fund balance is considered when preparing next year's budget. Additionally, the School District plans to be proactive and use excess fund balance to help provide additional funding to reserves as well as mitigate the increase in net debt service payments that will be coming in future years.

Section III – Federal Award Findings and Questioned Costs

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(9).

Section IV – Summary Schedule of Prior Audit Findings

There were no prior findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(9).

Extra Classroom Activity Funds

CWYNAR, FARROW & LOCKE, CPAs
A Professional Limited Liability Company
43 S Broad Street
Norwich, New York 13815
(607) 334-3838 voice
(607) 441-1101 fax
www.Cwynar.com

Independent Auditors' Report

Board of Education
Extraclassroom Activity Funds of Laurens Central School District

We have audited the accompanying financial statements of the Extraclassroom Activity Funds of Laurens Central School District (a New York State School District), which comprise the statement of assets, liabilities, and fund equity—cash basis as of June 30, 2022 and the related statement of cash receipts and disbursements—cash basis for the year then ended, and the related note to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Due to the fact that accounting controls generally are not exercised by students over cash receipts at the point of collection to the time of submission to the central treasurer, it was impracticable to extend our audit of such receipts beyond amounts recorded.

Qualified Opinion

In our opinion, except for the effects of any adjustments which might have resulted had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Extraclassroom Activity Funds of Laurens Central School District as of June 30, 2022, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Cuyman, Farrow & Locke, CPAs
December 31, 2022
Norwich, New York

Laurens Central School District

Extra Classroom Activity Funds
Statement of Assets and Liabilities Arising from Cash Transactions
June 30, 2022

ASSETS	
Restricted Cash	$ 99,680
LIABILITIES AND FUND BALANCE	
Sales tax payable	455
Fund Balance	99,225
	$ 99,680

See Independent Auditor's Report
See Accompanying Note to the Financial Statements

Laurens Central School District

Extra Classroom Activity Funds
Statement of Revenues Collected and Expenses Paid
For the year ended June 30, 2022

Activity	Balance July 01, 2021	Receipts	Disbursements	Balance June 30, 2022
Art Club	$ 1,213	301	-	$ 1,514
Chamber Singers	21	-	-	21
Chorus	2,201	1,211	956	2,456
Class of 2021	1,263	-	147	1,116
Class of 2022	7,147	2,746	5,301	4,592
Class of 2023	6,308	4,619	2,511	8,416
Class of 2024	7,213	5,550	6,355	6,408
Class of 2025	4,610	8,516	4,189	8,937
Class of 2026	9,130	8,932	2,218	15,844
Class of 2027	-	2,803	450	2,353
Colorguard	6,841	6,107	4,397	8,551
Concert Band	160	-	-	160
Drama Club	4,475	613	1,263	3,825
Garden Club	510	68	68	510
Jazz Ensemble	2,888	-	-	2,888
Key Club	1,111	1,121	903	1,329
Marching Band	3,274	942	869	3,347
Media Club	485	-	-	485
NHS	459	129	-	588
NHJHS	665	130	-	795
Odyssey of the Mind	485	-	-	485
SADD	2,152	-	-	2,152
Safety Patrol	1,600	40	-	1,640
Sales Tax	881	984	1,410	455
Spanish Club	4,798	395	1,462	3,731
Student Council	23	175	181	17
TREPS	288	-	-	288
Varsity Club	4,153	1,825	1,069	4,909
Yearbook	12,323	5,586	6,041	11,868
Totals	$ 86,677	52,793	39,790	$ 99,680

See Independent Auditors' Report
See Accompanying Note to the Financial Statement

Note 1 ACCOUNTING POLICY

The transactions of the Extraclassroom Activity Funds are not considered part of the reporting entity of the Laurens Central School District. Consequently, such transactions are not included in the financial statements of the School District.

The accounts of the Extraclassroom Activity Fund of the Laurens Central School District are maintained on a cash basis, and the statement of cash receipts, disbursements and transfers reflects only cash received, disbursed, and transferred between funds. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.