RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

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

$28,944,927

MINISINK VALLEY CENTRAL SCHOOL DISTRICT

ORANGE AND SULLIVAN COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$28,944,927 Bond Anticipation Notes, 2023 (Renewals)

(the "Notes")

Dated: June 22, 2023 **Due: June 21, 2024**

The Notes will be general obligations of the Minisink Valley Central School District, Orange and Sullivan Counties, New York (the "District" or "School 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. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW," herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued as book entry only registered notes or in registered certificated form in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. A single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

Alternatively, if the Notes are issued as registered non–certificated notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, except for an odd denomination which is or includes $9,924 as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the purchaser(s), on or about June 22, 2023.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 7, 2023 until 11:15 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids 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.

June 2, 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(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT

ORANGE AND SULLIVAN COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

JOSEPH FLAHERTY
President

WILLIAM COOPER
Vice President

DR. SCOTT HINES
ANTHONY MONACO
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VANESSA WIGHT
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* * * * *

BRIAN C. MONAHAN
Superintendent of Schools

PATRICK WITHEROW
Assistant Superintendent for Business

DAWN MOLNAR
School District Clerk

SUZANNE SAMSE
District Treasurer

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

No person has been authorized by Minisink Valley 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 Minisink Valley Central School District.

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PREPARED WITH THE ASSISTANCE OF

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

of the

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
ORANGE AND SULLIVAN COUNTIES, NEW YORK

Relating To

$28,944,927 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page, has been prepared by the Minisink Valley Central School District, Orange and Sullivan Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $28,944,927 principal amount of Bond Anticipation Notes, 2023 (the "Notes").

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

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

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.

DESCRIPTION OF THE NOTES

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

The Notes are dated June 22, 2023 and mature, without option of prior redemption, on June 21, 2024. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, except for one necessary odd denomination, which is or includes $9,924, with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST 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 in Certain Circumstances

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination, which is or includes $9,944. 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.

Purpose of Issue

On February 5, 2008, the qualified voters of the District approved a proposition authorizing the District to pay the cost of the partial reconstruction and renovation of various school district buildings at a maximum estimated cost of $26,200,000 through the issuance of the serial bonds. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on September 18, 2008. $2,020,000 of the Notes, along with $60,000 available funds of the District, will redeem $2,080,000 bond anticipation notes maturing on June 23, 2023 for the aforementioned purpose, for which bond anticipation notes were first issued on June 29, 2017 as a separate series.

On February 7, 2017, the qualified voters of the District approved a proposition authorizing the District to pay the cost of the construction of additions, improvements and reconstruction of various school district buildings at maximum estimated cost of $36,935,000. The project will be funded with $5,000,000 capital reserve funds and $31,935,000 serial bonds. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on December 21, 2017. $23,895,000 of the Notes, along with $395,000 available funds of the District will partially redeem and renew $24,290,000 bond anticipation notes maturing on June 23, 2023 for which bond anticipation notes were first issued on June 28, 2018.

On May 15, 2018, the qualified voters of the District approved a proposition authorizing $954,539 pay the cost of the acquisition of buses. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on May16, 2019. $190,908 of the proceeds of the Notes, along with $190,908 available funds of the District, will renew $381,816 bond anticipation notes maturing on June 23, 2023 for the aforementioned purpose.

On May 18, 2021, the qualified voters of the District approved a proposition authorizing $1,688,823 to pay the cost of the acquisition of 15 new buses. The Notes are being issued pursuant to a bond resolution anticipated to be duly adopted by the Board of Education on June 3, 2021. $1,013,295 proceeds of the Notes along with $337,764 available funds will renew $1,351,059 bond anticipation notes maturing on June 23, 2023 for the aforementioned purpose.

On May 17, 2022 the qualified voters of the District approved a proposition authorizing $2,282,155 to pay the cost of the acquisition of buses. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on June 16, 2022. $1,825,724 proceeds of the Notes along with $456,431 available funds will renew $2,282,155 bond anticipation notes maturing on June 23, 2023 for the aforementioned purpose.

THE SCHOOL DISTRICT

General Information

The District includes all of the Towns of Minisink and Greenville, a large portion of the Towns of Wawayanda and Mt. Hope, and a small area of the Towns of Wallkill and Mamakating. The District comprises approximately 115 square miles and is situated primarily in the western part of Orange County. The southern border of the District is congruent with Sussex County, New Jersey; its northern border reaches into Sullivan County; its western border follows the high ridges of the Shawangunk Mountain range and the eastern border moves from the rich black dirt area ‘muckland’ to the Middletown city limits.

Orange County, and particularly the District, provides one of the largest land reservoirs for the expansion of the New York-New Jersey metropolitan region. In addition, much of the District’s strong growth and its potential for further development can be attributed to the creation of a network of state, county and local roads which links the District to the urban areas to the south. Interstate Route 84, for example, intersects the District, with convenient access. Conrail Railroad traverses the District providing business and industry with freight rail access to the metropolitan areas. The District is just east of the area designed as the Delaware Water Gap National Recreation area. The United States Department of Interior estimates that 10 million people will visit this recreation area each year. The City of Middletown and the Town of Wallkill, located just east of the District, offer many facilities. These include Orange County Community College, several major retail centers (including the Dunning Mall and Galleria at Crystal Run), financial institutions, central library and cultural center, entertainment, general hospital and related services, large employers, and professional services. Both the State and the Federal Government have correctional facilities located in Otisville, in the District.

Source: District officials.

Population

The population of the School District is currently estimated to be 23,515.

(Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates)

Largest Employers

The following are the larger employers within the District.

Name	Type	Employees
Minisink Valley CSD	Public Education	609
Medline Industries	Distribution	340 (1)
State Correctional Facility at Otisville	State Prison	320 (2)
Federal Correctional Facility at Otisville	Federal Prison	299 (2)
Balchem Corp.	Food Ingredients, Sterilant Gases	180 (1)

(1) Data from the website of the Orange County Partnership Center of Economic Development.
(2) Updated statistics not available. Carryover of reported number of employees.

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 Counties listed below. The figures set below with respect to such Towns and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties 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:						
Greenville	$ 23,090	$ 31,716	$ 45,920	$ 65,257	$ 100,000	$ 137,330
Minisink	20,967	32,554	38,010	58,906	87,311	99,412
Mount Hope	17,562	26,596	38,968	65,183	82,500	115,489
Wallkill	21,654	28,625	40,117	57,088	79,273	96,591
Wawayanda	21,856	32,715	44,347	67,479	105,223	124,583
Mamakating	19,451	28,333	36,952	49,615	73,101	96,594
Counties of:						
Orange	21,597	28,944	37,615	60,355	82,480	102,933
Sullivan	18,892	23,422	33,037	43,458	57,388	76,031
State of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

Source: U.S. Census Bureau, 2000 census, 2006-10 and 2017-2021 American Community Survey data.

Unemployment Rate Statistics

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

	Annual Average						
	2016	2017	2018	2019	2020	2021	2022
Orange County	4.4%	4.5%	3.9%	3.6%	8.0%	4.7%	3.2%
Sullivan County	4.9%	4.9%	4.1%	3.8%	8.4%	4.9%	3.3%
New York State	4.9%	4.6%	4.1%	3.8%	9.9%	6.9%	4.3%

	2023 Monthly Figures					
	Jan	Feb	Mar	Apr	May	June
Orange County	3.7%	3.4%	3.0%	N/A	N/A	N/A
Sullivan County	3.9%	3.6%	3.2%	N/A	N/A	N/A
New York State	4.6%	4.5%	4.0%	3.7%	N/A	N/A

Note: Certain unemployment rates for April of 2023 are unavailable and unemployment rates for May and June 2023 are unavailable 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 District, consists of nine members with overlapping five-year terms. Effective in 2008-09, terms for newly elected Board members are three years. The President and the Vice President are selected by the Board members. The administrative officers of the District, whose duty it is to implement the policies of the Board of Education and who are appointed by the Board, include the Superintendent of Schools, the Assistant Superintendent for Business, the Assistant Superintendent for Curriculum and Instruction, the Assistant Superintendent for Human Resources, the District Clerk and the District Treasurer.

Budgetary Procedures

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

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

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

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

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

Recent Budget Votes

The budget for the 2021-2022 fiscal year was approved by the qualified voters on May 18, 2021 and calls for a tax levy increase of 2.42%, which is equal to the District's maximum allowable tax levy increase of 2.42% for the 2021-2022 fiscal year.

The budget for the 2022-2023 fiscal year was approved by the qualified voters on May 17, 2022 with a vote of 874 yest to 713 no. The District's adopted budget for the 2022-2023 fiscal year remained within the Tax Cap imposed by Chapter 97. The tax increase was 3.89% which was below the District's maximum allowable tax levy increase for the 2022-2023 fiscal year

The proposed budget for the 2023-2024 fiscal year was voted down by the qualified voters on May 16, 2023. The proposed budget called for a tax levy Increase of 3.74%, which was equal to the District's maximum allowable tax levy increase of 3.74% for the 2023-2024 fiscal year. The District is preparing a revised budget to be voted on by the District on June 20, 2023.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the GML, the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State; (4) with the approval of the State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District. All of the foregoing investments are required to be payable or redeemable at the option of the District within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML. The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

The District does not invest in reverse repurchase obligations or similar derivative type investments which are not authorized investments to school districts in the State.

State Aid

The District receives financial assistance from the State. In its proposed budget for the 2023-2024 fiscal year, approximately 45.35% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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").

Federal aid received by the State.

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.

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, including the diversion of federal resources to address the current COVID-19 outbreak.

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

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 80.3% 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:

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

School district fiscal year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

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 percent 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 increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can 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 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding.

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

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

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

State Aid Litigation

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

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

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

The final phase-in of foundation aid as originally projected has not occurred as of this date, however it is included in the State's 2023-2024 enacted budget. SEE "*School District fiscal year2021-22 and 2022-23" herein*

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 Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available on the following page.

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$88,143,044	$41,412,683	46.98%
2018-2019	91,412,905	42,837,020	46.86%
2019-2020	94,370,175	43,249,458	45.88%
2020-2021	93,619,154	41,498,060	44.33%
2021-2022	95,971,623	42,712,772	44.51%
2022-2023 (Unaudited)	105,823,385	44,582,085	42.13%
2023-2024 (Proposed)	113,183,3084	51,326,894	45.35%

Source: 2017-2018 through 2021-2022 audited financial statements, 2022-2023 unaudited figures and proposed budgeted figures for the 2023-2024 fiscal year of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built / Additions
High School	9-12	1,736	1972, 2001
Elementary/Intermediate School	K-2 / 3-5	1,694	1958, 1966
Otisville School	K-5	900	2008
Middle School	6-8	1,425	1992, 2005

Source: District officials.

Enrollment Trends

School Year	Enrollment	School Year	Projected Enrollment
2018-19	3,571	2023-24	3,400
2019-20	3,497	2024-25	3,400
2020-21	3,396	2025-26	3,400
2021-22	3,402	2026-27	3,400
2022-23	3,423	2027-28	3,400

Source: District officials.

Employees

The District employs a total of 623 employees of which 558 full-time and 65 part-time employees with representation by the various bargaining units listed below:

Employees Represented	Union Representation	Contract Expiration Date
317	Minisink Valley Teachers' Association	June 30, 2026
281	C.S.E.A.	June 30, 2025
25	Minisink Valley Administrators' Association	June 30, 2023

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, projected unaudited figures for the 2021-2022 fiscal year and budgeted figures for the 2022-2023 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	$ 1,390,053	$ 3,298,506
2018-2019	1,360,194	3,718,401
2019-2020	1,418,294	3,116,597
2020-2021	1,453,367	3,251,201
2021-2022	1,355,473	3,144,945
2022-2023 (Unaudited)	1,130,809	3,776,152
2023-2024 (Proposed)	2,011,675	4,380,981

Source: 2017-2018 through 2021-2022 audited financial statements, 2022-2023 unaudited financial statements and 2023-2024 proposed budgeted figures of the District. This table is not audited. Unaudited figures for 2022-2023 may vary from actual audited figures

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 District offered a retirement incentive to each bargaining unit, to all qualifying employees, during the 2021-2022 school year. In order to qualify for the incentive, eligible employees had to be at least age 55 with 10 years of service to the district and elect to retire on or before June 30, 2022, which previously required a response by January 31, 2022.

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

A chart of average ERS and TRS rates as a percent of payroll (2019 to 2024) is shown below:

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. Final contribution rate to be adopted at the July 26, 2023 TRS retirement board meeting.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. On June 30, 2019, the District established a TRS reserve fund. The District has contributed $1,124,113 to the TRS reserve fund as of June 30, 2022. The District has contributed $1,124,113 to the TRS reserve fund as of June 30, 2022.

Other Post-Employment Benefits

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

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

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

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

Summary of Changes from the Last Valuation. The District contracted with AON Hewitt to calculate its first actuarial valuation under GASB 75 for the fiscal year ending June 30, 2022.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Fiscal Year Ending June 30:	2021	2022
Balance Beginning of Fiscal Year:	$ 123,312,743	$ 156,232,987
Changes for the year:		
Service cost	$ 4,749,279	$ 6,468,196
Interest	4,451,803	3,567,096
Differences between expected and actual experience	4,441,662	(605,489)
Changes of benefit terms	0	0
Changes in assumptions	21,758,975	6,307,472
Benefit payments	(2,481,475)	(2,602,422)
Net Changes	32,920,244	13,134,853
Balance at End of Fiscal Year:	$ 156,232,987	$ 169,367,840

Note: The above table is not audited. For additional information see "APPENDIX - C" attached hereto. The actuarial report for the fiscal year ending June 30, 2021 is not available as of the date of this Official Statement.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2020 and June 30, 2021.

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent certified public accountants. The last audit report covers the period ending June 30, 2022 and is attached hereto as "APPENDIX – E". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the School District has complied with the requirements of various State and Federal statutes. Certain financial information of the School District can be found attached as Appendices to the Official Statement.

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

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

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 five most recent available fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	0.0
2021	No Designation	6.7
2020	No Designation	20.0
2019	No Designation	23.3
2018	No Designation	10.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

State Comptroller Reports of Examination

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

The State Comptroller's Office released an audit report of the District on August 19, 2022. The purpose of the audit was to determine whether officials maximized Medicaid reimbursements by submitting claims for all eligible Medicaid services provided for the period July 1, 2020 through December 31, 2021.

Key Findings

The District did not maximize Medicaid reimbursements by claiming for all eligible Medicaid services provided.

- Claims were not submitted for reimbursement for at least 3,083 eligible services totaling $187,932. Had these services been claimed, the District would have realized revenues totaling $93,966 (50 percent of the Medicaid reimbursements).
- Between July 1, 2020 and December 31, 2021, the District paid a third-party vendor (vendor) $54,996 to process the District's Medicaid claims. However, officials did not provide the vendor with all of the documentation needed for the vendor to properly file all Medicaid claims and did not adequately oversee the vendor to ensure Medicaid reimbursements were maximized.

Key Recommendations

- Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.
- Review all unclaimed services and submit any eligible claims for reimbursement.

A copy of the complete report and the District's response can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no recent State Comptroller's audits of the District, nor are there any others that are currently in progress or pending release.

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

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TAX INFORMATION

Taxable Assessed Valuation

Years Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Greenville	$ 261,997,447	$ 266,655,541	$ 266,236,685	$ 269,005.016	$ 271,674,530
Minisink	202,659,053	205,340,263	209,672,149	211,519,627	214,470,144
Mount Hope	262,023,732	266,540,474	267,892,240	272,669,954	275,979,621
Wallkill	21,492,550	21,525,140	21,677,366	21,882,722	22,057,714
Wawayanda	382,020,391	384,016,160	403,711,640	410,658,904	411,130,932
Mamakating	29,083,084	29,069,056	29,158,688	29,579,919	29,212,538
Totals	$ 1,159,276,257	$ 1,173,146,634	$ 1,198,348,768	$ 1,215,316,142	$ 1,224,525,479

State Equalization Rate

	2019	2020	2021	2022	2023
Towns of:					
Greenville	63.40%	62.58%	60.00%	58.10%	48.90%
Minisink	47.00%	47.00%	45.16%	44.70%	37.71%
Mount Hope	59.00%	56.00%	52.00%	52.00%	43.00%
Wallkill	21.00%	19.75%	18.00%	18.00%	16.02%
Wawayanda	68.00%	65.50%	61.50%	59.50%	51.00%
Mamakating	63.78%	61.85%	59.00%	59.00%	45.50%
Taxable Full Valuation	$ 1,998,281,914	$ 2,081,234,308	$ 2,249,485,510	$ 2,322,456,202	$ 2,774,151,238

Tax Rate Per $1,000 (Assessed)

Years Ending June 30:	2019	2020	2021	2022	2023
Greenville	$ 35.32	$ 35.20	$ 35.60	$ 36.48	$ 37.68
Minisink	47.64	46.87	47.16	47.24	48.66
Mount Hope	37.95	39.34	41.01	40.74	42.81
Wallkill	106.62	111.53	118.49	117.44	114.90
Wawayanda	32.93	33.63	34.65	35.57	36.14
Mamakating	35.11	35.61	36.25	35.88	40.40

Tax Collection Record

Years Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 44,742,041	$ 45,844,217	$ 48,033,368	$ 49,198,395	$ 51,128,793
Uncollected (1)	2,545,486	2,644,484	2,370,343	2,531,887	N/A
% Uncollected	5.69%	5.77%	4.93%	5.15%	N/A

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

Tax Collection Procedure

School taxes are collected by the school's receiver of taxes from September 1 through November 1. School taxes can be paid by September 30 without penalty. Taxes paid October 1 through November 1 must be paid with a 2% penalty. Taxes that remain uncollected as of November 2 are turned over to the County for reassessment on the January property tax bills. The County pays the District in full on April 1 for all uncollected school taxes for the current year.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2017-2018	$88,143,044	$44,570,383	50.57%
2018-2019	91,412,905	45,740,544	50.04%
2019-2020	94,370,175	47,740,751	50.59%
2020-2021	93,619,154	44,066,853	47.07%
2021-2022	95,971,623	45,475,166	47.38%
2022-2023 (Unaudited)	105,823,385	51,128,793	48.32%
2023-2024 (Proposed)	113,183,308	53,041,266	46.42%

Source: 2017-2018 through 2021-2022 audited financial statements, 2022-2023 unaudited financial statements and 2023-2024 budgeted figures of the District. This table is not audited. Unaudited figures for 2022-2023 may vary from actual audited figures

Larger Taxpayers – 2022 for 2022-2023 Tax Roll

Name	Type	Taxable Assessed Valuation
Orange and Rockland Utilities	Utility	$85,829,031
PFF Industrial 3301 US-6 Middletown	Warehouse	27,035,600
Matrix Wawayanda I, LLC	Warehouse	16,887,300
City of Middletown	Various	8,341,600
County of Orange	Various	7,153,000
Breezy Knolls Estates, LLC	Residential	5,995,500
Balchem Corporation	Manufacturing	5,422,900
Slate Hill EOM, LLC	Restaurant	5,137,300
Castle High Group, LLC	Mobile Home Park	3,934,200
Ford Irrevocable Trust	Residential	3,506,500

The ten larger taxpayers listed above have a total taxable assessed valuation of $169,242,931, which represents 6.10% of the tax base of the District.

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

Source: School District Tax Rolls.

Additional Tax Information

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

Senior citizen and Veteran exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential 85%, Commercial 5%, Industrial 1%, Other 9%

The estimated total annual school tax bill of a $300,000 typical market value residential property located in the District is approximately $5,134.

STAR – School Tax Exemption

The STAR 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 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 municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Greenville	$ 48,890	$ 18,220	4/6/2023
Minisink	37.240	14,540	4/6/2023
Mount Hope	42,470	16,920	4/6/2023
Wallkill	15,820	5,860	4/6/2023
Wawayanda	50,370	19,360	4/6/2023
Mamakating	39,330	15,750	4/6/2023

$3,554,305 of the District's $51,128,793 school tax levy for the 2022-2023 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2023.

Approximately $3,700,000 of the $53,041,266 proposed 2023-2024 school tax levy is expected to be exempted by the STAR Program. The School District anticipates receiving full reimbursement in January 2024.

TAX LEVY LIMITATION LAW

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

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

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, it has since been made permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the 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 School 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 or the weighted average maturity thereof; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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 School 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 School District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the equalization rate which such assessed valuation bears to the full valuation; such rate is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such rate shall be determined.

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

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

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2018	2019	2020	2021	2022
Bonds	$ 51,060,000	$ 46,285,000	$ 42,260,000	$ 38,085,000	$ 33,715,000
Bond Anticipation Notes	3,400,000	11,804,539	22,938,632	28,011,547	30,385,030
Installment Purchase Obligation (1)	2,237,182	1,962,848	1,674,654	1,371,900	964,966
Total Debt Outstanding	$ 56,697,182	$ 60,052,387	$ 66,873,286	$ 67,468,447	$ 65,064,996

(1) Not general obligation debt. See “Installment Purchase Obligations” herein.

Note: The bond amounts shown above do not include advance refunded bonds outstanding where applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 2, 2023.

Type of Indebtedness	Maturity	Amount
Bonds	2023-2036	$ 30,555,000
Bond Anticipation Notes		
Capital Project/Buses	June 23, 2023	28,102,875 (1)
Buses	June 23, 2023	2,282,155 (1)
	Total Indebtedness	$ 60,940,030

(1) To be redeemed with the proceeds of the Notes and available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 2, 2023:

Full Valuation of Taxable Real Property			$ 2,285,121,834
Debt Limit 10% thereof			228,512,183
Inclusions:			
Bonds	$ 30,555,000		
Notes	1,440,103		
Principal of the Notes	28,944,924		
Total Inclusions		$ 60,940,027	
Exclusions:			
Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 60,940,027
Net Debt-Contracting Margin			$ 167,572,156
The percent of debt contracting power exhausted is			26.67%

(1) Based on preliminary 2023-2024 building aid estimates, the District anticipates State Building aid of 80.3% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. This table does not include any lease purchase obligations, but such obligations do count toward the debt limit. See "Installment Purchase Obligations", herein.

Bonded Debt Service

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

Installment Purchase Obligations

As of June 30, 2021, the School District has $1,371,900 outstanding for installment purchases which have been issued for energy performance projects. The interest rate on the installment purchase contract is 7.3924% and the last payment is scheduled to be made in the fiscal year 2025.

Cash Flow Borrowings

The District, historically, does not issue tax anticipation notes or revenue anticipation notes or budget or deficiency notes and the District does not reasonably expect on issuing any in the foreseeable future. However, see "THE SCHOOL DISTRICT - State Aid" and "MARKET RISK FACTORS" herein.

Capital Project Plans

On February 5, 2008, the qualified voters of the District approved a proposition authorizing the District to pay the cost of the partial reconstruction and renovation of various School District buildings at a maximum estimated cost of $26,200,000 through the issuance of the serial bonds. The District has issued a total of $23,900,000 serial bonds pursuant to this authorization. The District issued an additional $2,300,000 bond anticipation notes on June 29, 2017 pursuant to this authorization as a separate series. The District renewed $2,300,000 bond anticipation notes in June 2018. On June 27, 2019, the District redeemed $2,300,000 bond anticipation notes which matured on June 28, 2019 with $50,000 available funds of the District and $2,250,000 bond anticipation notes, for which bond anticipation notes were first issued on June 29, 2017. On June 25, 2020, the District issued $2,195,000 bond anticipation notes, which along with $55,000 available funds of the District, repaid $2,250,000 bond anticipation notes which matured on June 26, 2020. On June 24, 2021 the District issued $28,011,547 bond anticipation notes, $2,140,000 of which, along with $55,000 available funds of the District, redeemed $2,195,000 bond anticipation notes that matured on June 25, 2021. On June 23, 2022, the District issued $2,080,000 bond anticipation notes, along with $60,000 available funds of the District, that partially renewed and redeemed $2,140,000 bond anticipation notes which matured on June 24, 2022. $2,020,000 of the Notes, along with $60,000 available funds of the District, will redeem $2,080,000 bond anticipation notes maturing on June 23, 2023 for the aforementioned purpose.

On February 7, 2017, District voters approved a $36,935,000 million capital improvement project to replace the sewer treatment plant, HVAC, electric, plumbing, windows and general infrastructure needs along with a new cafeteria addition to the HS. This project is not expected to have any impact on the District's budget due to debt retiring and the use of a $5 million capital reserve fund. The balance of the project will be financed with the issuance of bond anticipation notes and serial bonds. The first phase of work is expected to begin in summer 2018. The District issued $1,100,000 bond anticipation notes in June 2018 as the first borrowing against said authorization. On June 27, 2019, the District renewed $1,100,000 bond anticipation notes and issued $7,500,000 new monies for the aforementioned purpose. On June 25, 2020, the District issued $8,580,000 bond anticipation notes, which along with $20,000 available funds of the District, repaid $8,600,000 bond anticipation notes which matured on June 26, 2020 and provided $11,400,000 new monies for the aforementioned project. Additional borrowings for the project will occur upon approval from the New York State Education Department and as the project's cash flow needs warrant. On June 24, 2021 the District issued $28,011,547 bond anticipation notes, $23,610,000 of which, along with $145,000 available funds of the District redeemed $19,980,000 bond anticipation notes that matured on June 25, 2022 and provide $3,775,000 new monies for the aforementioned project. On June 23, 2022, the District issued $24,290,000 bond anticipation notes, along with $320,000 available funds of the District that partially redeemed and renewed $23,610,000 bond anticipation notes which matured on June 24, 2022 and provided $1,000,000 new monies for the aforementioned project. $23,895,000 of the Notes, along with $395,000 available funds of the District will partially redeem and renew $24,290,000 bond anticipation notes maturing on June 23, 2023.

The District issues bond anticipation notes for buses annually. $3,029,924 of the Notes along with $985,103 available funds of the District will partially redeem and renew $4,015,027 bond anticipation notes maturing June 23, 2023 for the purchase of buses.

Other than noted above the District does not have any authorized but unissued capital projects, nor are any contemplated 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:						
Orange	12/31/2021	$ 256,390,000	$ 11,950,000	$ 244,440,000	5.92%	$ 14,470,848
Sullivan	12/31/2021	158,995,333	10,000,000	148,995,333	0.58%	868,643
Town of:						
Greenville	12/31/2021	6,114,330	5,109,705	1,004,625	55.26%	555,156
Minisink	12/31/2021	-	-	-	100.00%	-
Mount Hope	12/31/2021	1,045,000	-	1,045,000	98.62%	1,030,579
Wallkill	12/31/2021	-	-	-	3.55%	-
Wawayanda	12/31/2021	3,560,002	800,000	2,760,002	71.19%	1,964,845
Mamakating	12/31/2021	550,000	-	550,000	4.60%	25,300
					Total:	$ 18,915,371

(1) Bonds and bond anticipation notes as of close of the 2021 fiscal year. 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: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 2, 2023.

	Amount Indebtedness	Per Capita [a]	Percentage of Full Valuation [b]
Net Indebtedness (see "Debt Statement Summary")	$ 60,940,027	$ 2,591.54	2.20%
Net Indebtedness Plus Net Overlapping Indebtedness [c]	79,855,398	3,395.93	2.88%

(a) The estimated population of the District is 23,515. See "District Population" herein.
(b) The District's full value of taxable real estate for 2023-2024 is $2,774,151,238. See "TAX INFORMATION" herein.
(c) Estimated net overlapping indebtedness is $18,915,371. See "Estimated Overlapping Indebtedness" herein.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

CONTINUING DISCLOSURE

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

DISCLOSURE COMPLIANCE HISTORY

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D".

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

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

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

LITIGATION

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

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

There is one Child Victims Act case filed against the District in August 2020, which alleges that a former employee of the District sexually abused a student in the early 2000s. The Child Victims Act waives the notice of claim and statute of limitations provisions of the New York Education Law for lawsuits alleging child sexual abuse if the lawsuit was brought before the end of August, 2021. The District is vigorously defending the case. The contingent liability cannot be determined at this time, but should not have a material adverse effect on the financial condition of the District. In the event of a settlement or an adverse judicial determination in this case, the School District may issue obligations to pay the costs of a settlement or judgment

RATING

The Notes are <u>not</u> rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings and a supplementation of the final Official Statement. (See "APPENDIX - C" herein.).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their rating of "AA" with a stable outlook to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District management’s beliefs as well as assumptions made by, and information currently available to, the District’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District’s files with the repositories. When used in District documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

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

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

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

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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

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

The District's contact information is as follows: Mr. Patrick Witherow, Assistant Superintendent for Business, 2320 Route 6, PO Box 217, Slate Hill, New York 10973, telephone (845) 355-5120, fax (845) 355-5119, email: pwitherow@minisink.com

This Official Statement has been duly executed and delivered by the President of the Board of Education of the Minisink Valley Central School District.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT

Dated: June 2, 2023

JOSEPH FLAHERTY
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 & Cash Equivalents	$ 7,291,285	$ 4,781,459	$ 5,542,701	$ 9,070,890	$ 13,322,672
Restricted Cash & Cash Equivalents	14,903,872	13,887,427	15,600,952	16,988,334	15,843,076
State and Federal Aid Receivable	2,211,046	3,053,897	3,287,178	2,732,021	2,366,393
Due From Other Funds	7,986,834	7,174,828	6,461,047	1,581,082	2,247,884
Due from Fiduciary Funds	-	-	650	-	-
Other Receivables	636,554	653,734	1,226,771	396,887	441,734
Inventories	-	-	-	-	-
TOTAL ASSETS	$ 33,029,591	$ 29,551,345	$ 32,119,299	$ 30,769,214	$ 34,221,759
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 766,456	$ 1,419,794	$ 1,206,087	$ 1,655,816	$ 1,430,565
Accrued Liabilities	738,622	118,396	996,670	80,625	150,777
Due to Other Governments	-	-	-	199,946	199,946
Due to Other Funds	9,316	-	-	-	1,045,468
Due to Fiduciary Funds	-	525	-	-	-
Due to Teachers' Retirement System	3,299,927	3,719,460	3,028,956	3,252,026	3,497,968
Due to Employees' Retirement System	375,805	369,367	340,462	391,613	298,709
Other Liabilities	10,047	13,312	13,362	66,388	77,014
Overpayments and Collections in Advance	10,909	10,898	10,984	10,994	24,018
Compensated Absences Payable	-	-	-	-	-
Unearned Revenues	3,840	-	-	-	-
Deferred Revenues	346,430	168,819	25,376	-	181,739
TOTAL LIABILITIES	$ 5,561,352	$ 5,820,571	$ 5,621,897	$ 5,657,408	$ 6,906,204
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	14,903,872	13,887,427	15,600,952	13,706,735	17,314,171
Assigned	9,462,502	6,030,747	6,896,588	7,315,063	5,768,449
Unassigned	3,101,865	3,812,600	3,999,862	4,090,008	4,232,935
TOTAL FUND EQUITY	27,468,239	23,730,774	26,497,402	25,111,806	27,315,555
TOTAL LIABILITIES & FUND EQUITY	$ 33,029,591	$ 29,551,345	$ 32,119,299	$ 30,769,214	$ 34,221,759

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	$ 38,848,230	$ 40,158,853	$ 41,732,203	$ 44,066,853	$ 45,475,166
Other Tax Items	5,722,153	5,581,691	6,008,548	5,414,845	5,178,267
Charges for Services	87,972	221,958	216,064	53,808	94,051
Use of Money & Property	65,710	94,889	93,036	12,839	258,064
Sale of Property and Compensation for Loss	498,553	952,039	1,785,071	826,060	947,925
Miscellaneous	1,270,188	1,384,960	1,025,555	1,144,486	841,947
Revenues from State Sources	41,412,683	42,837,020	43,249,458	41,498,060	42,712,772
Revenues from Federal Sources	187,555	131,495	210,240	602,203	463,431
Total Revenues	$ 88,093,044	$ 91,362,905	$ 94,320,175	$ 93,619,154	$ 95,971,623
Other Sources:					
Interfund Transfers In	50,000	50,000	50,000	50,000	474,695
Total Revenues and Other Sources	$ 88,143,044	$ 91,412,905	$ 94,370,175	$ 93,669,154	$ 96,446,318
EXPENDITURES					
General Support	$ 7,967,553	$ 8,276,926	$ 7,782,237	$ 7,536,762	$ 8,041,758
Instruction	50,886,205	52,510,313	50,583,954	51,019,098	51,905,453
Pupil Transportation	6,180,545	5,409,761	4,516,275	4,246,343	5,021,561
Community Services	10,375	205,677	144,030	156,508	220,270
Employee Benefits	20,347,607	21,238,947	21,576,108	20,483,176	20,934,943
Debt Service	7,226,277	7,256,589	6,726,830	6,880,504	7,842,769
Total Expenditures	$ 92,618,562	$ 94,898,213	$ 91,329,434	$ 90,322,391	$ 93,966,754
Other Uses:					
Interfund Transfers Out	266,429	252,157	274,113	4,732,359	275,815
Total Expenditures and Other Uses	$ 92,884,991	$ 95,150,370	$ 91,603,547	$ 95,054,750	$ 94,242,569
Excess (Deficit) Revenues Over Expenditures	(4,741,947)	(3,737,465)	2,766,628	(1,385,596)	2,203,749
FUND BALANCE					
Fund Balance - Beginning of Year	32,210,186	27,468,239	23,730,774	26,497,402	25,111,806
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 27,468,239	$ 23,730,774	$ 26,497,402	$ 25,111,806	$ 27,315,555

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
	Original Budget	Final Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	$ 45,491,438	$ 45,491,438	$ 45,475,166	$ 51,128,793
Other Tax Items	5,177,163	5,177,163	5,178,267	1,419,283
Charges for Services	57,000	57,000	94,051	-
Use of Money & Property	30,000	30,000	258,064	-
Sale of Property and Compensation for Loss	156,000	156,000	947,925	-
Miscellaneous	621,000	872,688	841,947	1,233,891
Revenues from State Sources	43,977,820	43,977,820	42,712,772	44,612,085
Revenues from Federal Sources	-	-	463,431	-
Total Revenues	$ 95,510,421	$ 95,762,109	$ 95,971,623	$ 98,394,052
Other Sources:				
Appropriated Fund Balance	7,315,063	7,430,063	-	-
Interfund Transfers In	300,000	300,000	474,695	-
Total Revenues and Other Sources	103,125,484	103,492,172	$ 96,446,318	98,394,052
EXPENDITURES				
General Support	$ 8,701,528	# $ 8,813,468	$ 8,041,758	$ 9,246,799
Instruction	55,911,023	56,373,946	52,080,148	56,809,800
Transportation	5,337,116	5,436,386	5,021,561	5,542,311
Community Services	243,600	243,600	220,270	243,600
Employee Benefits	24,982,880	24,697,285	20,934,943	25,469,181
Debt Service	7,660,087	7,638,237	7,668,074	8,218,445
Total Expenditures	$ 102,836,234	$ 103,202,922	$ 93,966,754	$ 105,530,136
Other Uses:				
Interfund Transfers Out	289,250	289,250	275,815	293,250
Total Expenditures and Other Uses	103,125,484	103,492,172	$ 94,242,569	105,823,386
Excess (Deficit) Revenues Over Expenditures	-	-	2,203,749	(7,429,334)
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	25,111,806	7,429,334
Prior Period Adjustments (net)	-	-	-	
Fund Balance - End of Year	$ -	$ -	$ 27,315,555	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 4,545,000	$ 1,276,050	$ 5,821,050
2024	4,715,000	1,093,350	5,808,350
2025	3,415,000	889,100	4,304,100
2026	1,495,000	742,425	2,237,425
2027	1,570,000	665,800	2,235,800
2028	1,655,000	585,175	2,240,175
2029	1,740,000	500,300	2,240,300
2030	1,805,000	429,725	2,234,725
2031	1,865,000	374,675	2,239,675
2032	1,910,000	318,050	2,228,050
2033	1,975,000	258,541	2,233,541
2034	2,025,000	196,041	2,221,041
2035	2,090,000	130,438	2,220,438
2036	2,150,000	61,538	2,211,538
2037	760,000	13,300	773,300
TOTALS	$ 33,715,000	$ 7,534,506	$ 41,249,506

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2013 Bond Refunding Principal	2013 Bond Refunding Interest	2013 Bond Refunding Total	2015 Refunding - 2006A, 2006B, 2007 Bonds Principal	2015 Refunding - 2006A, 2006B, 2007 Bonds Interest	2015 Refunding - 2006A, 2006B, 2007 Bonds Total	2016 Refunding - 2009 and 2011 Bonds Principal	2016 Refunding - 2009 and 2011 Bonds Interest	2016 Refunding - 2009 and 2011 Bonds Total
2023	$ 1,385,000	$ 127,400	$ 1,512,400	$ 1,310,000	$ 924,650	$ 2,234,650	$ 1,850,000	$ 224,000	$ 2,074,000
2024	1,440,000	72,000	1,512,000	1,370,000	871,350	2,241,350	1,905,000	150,000	2,055,000
2025	-	-	-	1,420,000	815,300	2,235,300	1,995,000	73,800	2,068,800
2026	-	-	-	1,495,000	742,425	2,237,425	-	-	-
2027	-	-	-	1,570,000	665,800	2,235,800	-	-	-
2028	-	-	-	1,655,000	585,175	2,240,175	-	-	-
2029	-	-	-	1,740,000	500,300	2,240,300	-	-	-
2030	-	-	-	1,805,000	429,725	2,234,725	-	-	-
2031	-	-	-	1,865,000	374,675	2,239,675	-	-	-
2032	-	-	-	1,910,000	318,050	2,228,050	-	-	-
2033	-	-	-	1,975,000	258,541	2,233,541	-	-	-
2034	-	-	-	2,025,000	196,041	2,221,041	-	-	-
2035	-	-	-	2,090,000	130,438	2,220,438	-	-	-
2036	-	-	-	2,150,000	61,538	2,211,538	-	-	-
2037	-	-	-	760,000	13,300	773,300	-	-	-
TOTALS	$ 2,825,000	$ 199,400	$ 3,024,400	$ 25,140,000	$ 6,887,306	$ 32,027,306	$ 5,750,000	$ 447,800	$ 6,197,800

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

FORM OF BOND COUNSEL'S OPINION

June 22, 2023

Minisink Valley Central School District,
Counties of Orange and Sullivan
State of New York

Re: Minisink Valley Central School District, Orange and Sullivan Counties, New York
$28,944,927 Bond Anticipation Notes, 2023 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $28,944,927 Bond Anticipation Notes, 2023 (the "Obligation"), of the Minisink Valley Central School District, Counties of Orange and Sullivan, State of New York (the "Obligor"), dated June 22, 2023, in the denomination of $_________, bearing interest at the rate of _____% per annum, payable at maturity, and maturing June 21, 2024.

We have examined:

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

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

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

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

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

In our opinion:

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

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

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

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

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

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

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
ORANGE AND SULLIVAN COUNTIES, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

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.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2022
INCLUDING REPORTS ON FEDERAL AWARDS
AND EXTRACLASSROOM ACTIVITY FUNDS

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
JUNE 30, 2022
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Minisink Valley Central School District
Slate Hill, New York 10973

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Minisink Valley 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 and each major fund, of Minisink Valley Central School District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Minisink Valley 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, management has adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design,

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implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information pages 4 through 15 and 67 through 71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minisink Valley Central School District's basic financial statements. The supplemental schedules on pages 72 through 74 were required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 72–74 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2022 on our consideration of Minisink Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Minisink Valley Central School District's internal control over financial reporting and compliance.

Nugent + Haeussler, P.C.

Montgomery, New York
October 15, 2022

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Minisink Valley Central School District's financial performance for the year ended June 30, 2022. This section is a summary of Minisink Valley Central School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

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 District:

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

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.

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

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

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

Overview of the Financial Statements (Continued)

Major Features of the District-Wide and Fund Financial Statements		
	District-Wide	Governmental Funds
Scope	Entire District	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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

District-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Financial Analysis of the District as a Whole

For the year ending June 30, 2022. The District's net position at June 30, 2022 is (75,380,440). This is an increase of $6,220,941, from last year's net position as restated. The following table provides a summary of the District's net position:

Summary of Net Position

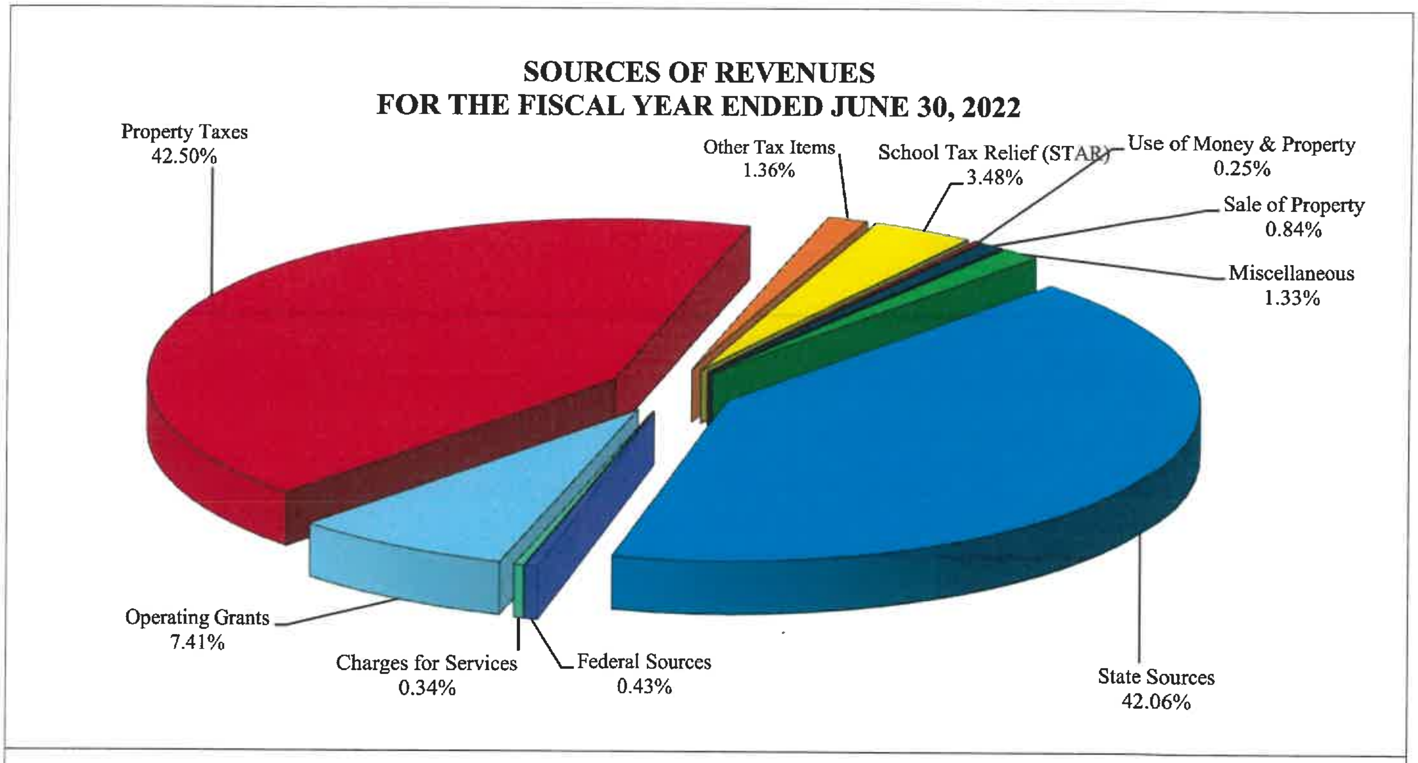
	School District Activities			
	June 30, 2022	Restated June 30, 2021	$ Change	% Change
Current Assets	$ 46,230,485	$ 43,924,950	$ 2,305,535	5.25%
Non-Current Assets	127,724,703	92,337,834	35,386,869	38.32%
Total Assets	173,955,188	136,262,784	37,692,404	40.82%
Deferred Outflows of Resources	57,823,083	57,578,756	244,327	0.42%
Current Liabilities	40,099,527	39,212,424	887,103	2.26%
Long-Term Liabilities	204,067,849	201,489,456	2,578,393	1.28%
Total Liabilities	244,167,376	240,701,880	3,465,496	1.44%
Deferred Inflows of Resources	62,991,335	34,741,041	28,250,294	81.32%
Net Position:				
Net Investment in Capital Assets	28,109,484	29,492,184	(1,382,700)	-4.69%
Restricted	17,934,846	18,143,916	(209,070)	-1.15%
Unrestricted	(121,424,770)	(129,237,481)	7,812,711	6.05%
Total Net Position	$ (75,380,440)	$ (81,601,381)	$ 6,220,941	7.62%

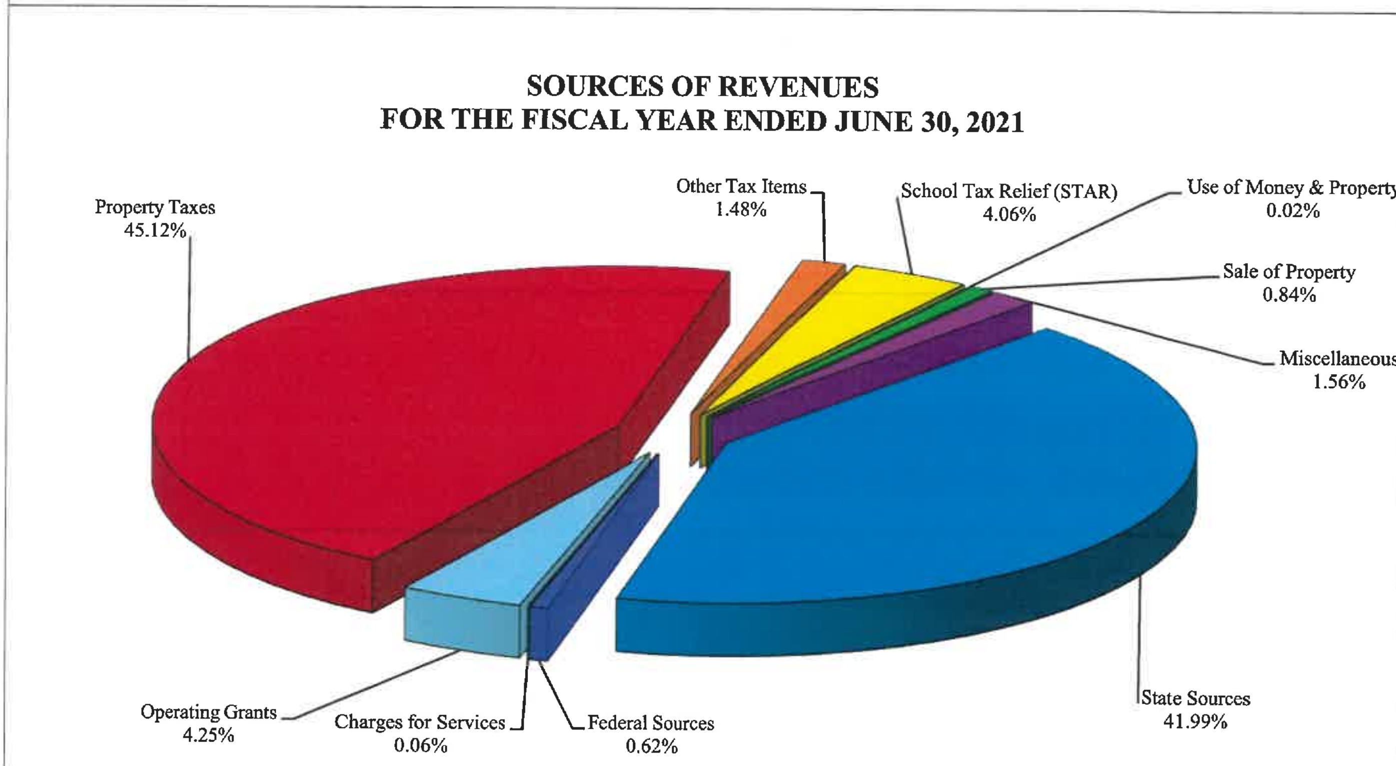
The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the years ended June 30, 2022 and 2021:

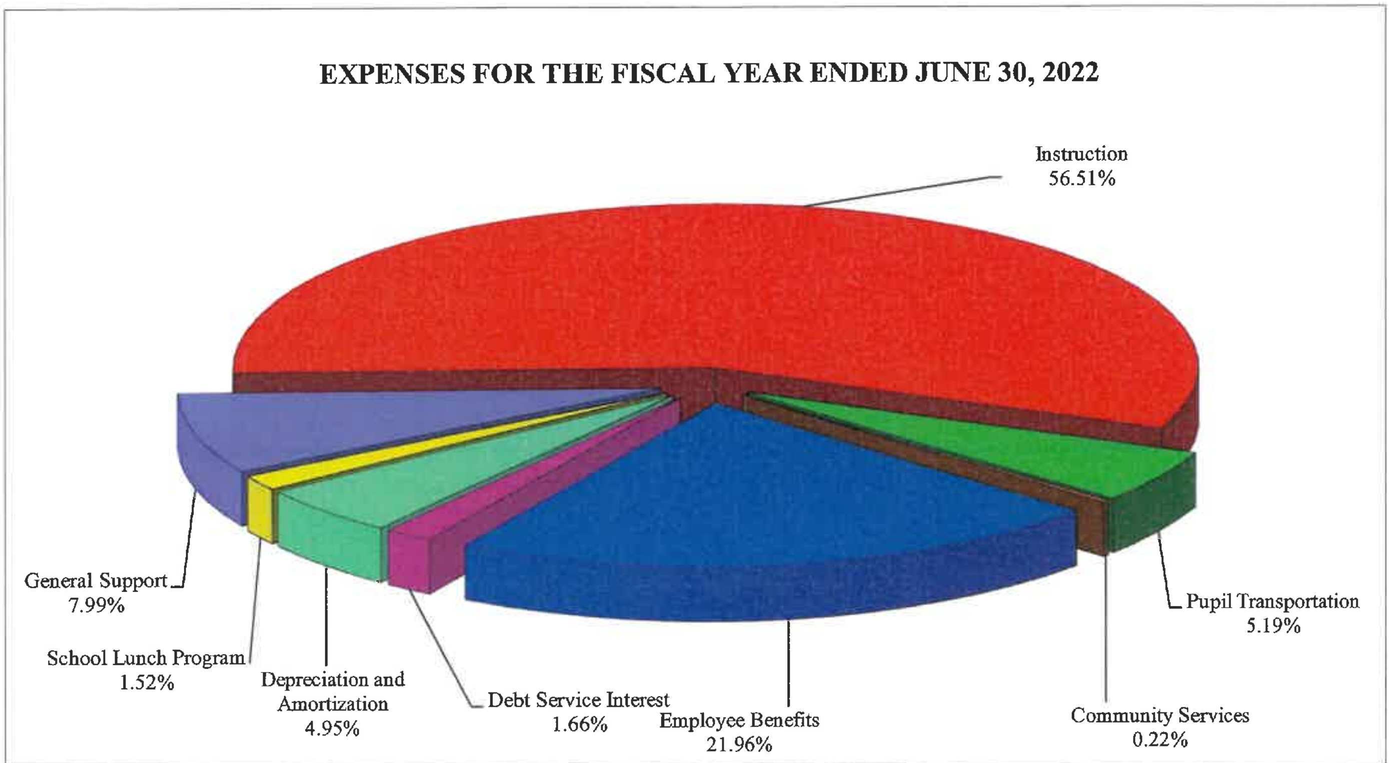
MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

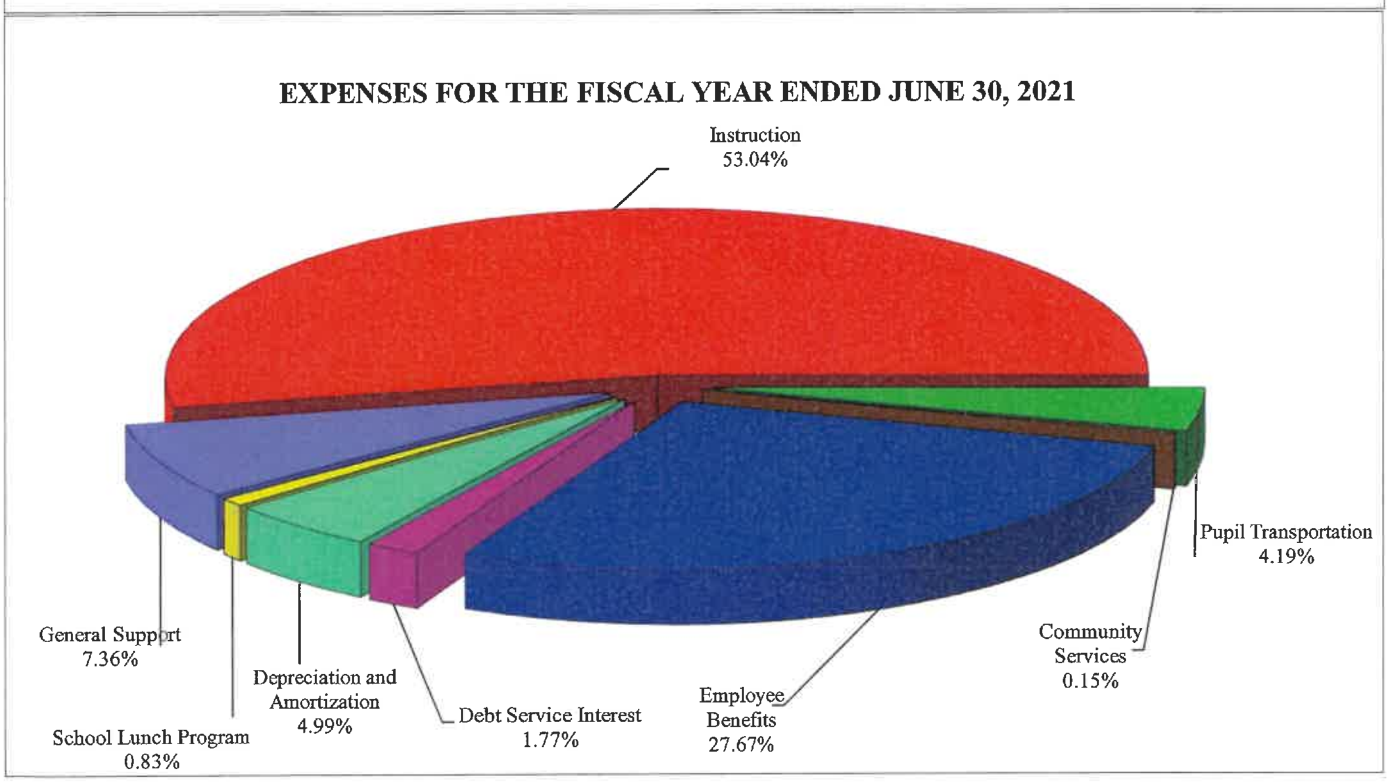
	JUNE 30, 2022	%	JUNE 30, 2021	%	$ Change	% Change
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 359,720	0.34%	$ 55,826	0.06%	$ 303,894	544.36%
Operating Grants	7,933,380	7.41%	4,151,089	4.25%	3,782,291	91.12%
GENERAL REVENUES:						
Property Taxes	45,475,166	42.50%	44,066,853	45.12%	1,408,313	3.20%
Other Tax Items	1,456,877	1.36%	1,448,330	1.48%	8,547	0.59%
School Tax Relief (STAR)	3,721,390	3.48%	3,966,515	4.06%	(245,125)	-6.18%
Use of Money & Property	262,883	0.25%	16,541	0.02%	246,342	1489.28%
Sale of Property	897,945	0.84%	822,623	0.84%	75,322	9.16%
Miscellaneous	1,428,394	1.33%	1,524,135	1.56%	(95,741)	-6.28%
State Sources	44,998,054	42.06%	41,003,800	41.99%	3,994,254	9.74%
Federal Sources	463,431	0.43%	602,203	0.62%	(138,772)	-23.04%
TOTAL REVENUES	106,997,240	100.00%	97,657,915	100.00%	9,339,325	9.56%
EXPENSES						
General Support	8,050,813	7.99%	7,490,908	7.36%	$ 559,905	7.47%
Instruction	56,939,135	56.51%	53,962,235	53.04%	2,976,900	5.52%
Pupil Transportation	5,233,606	5.19%	4,261,954	4.19%	971,652	22.80%
Community Services	220,270	0.22%	156,508	0.15%	63,762	40.74%
Employee Benefits	22,134,975	21.96%	28,159,482	27.67%	(6,024,507)	-21.39%
Debt Service Interest	1,671,829	1.66%	1,796,697	1.77%	(124,868)	-6.95%
Depreciation and Amortization	4,991,947	4.95%	5,081,252	4.99%	(89,305)	-1.76%
School Lunch Program	1,533,723	1.52%	845,821	0.83%	687,902	81.33%
TOTAL EXPENSES	100,776,298	100.00%	101,754,857	100.00%	(978,559)	-0.96%
CHANGE IN NET POSITION	$ 6,220,942		$ (4,096,942)		$ 10,317,884	

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK





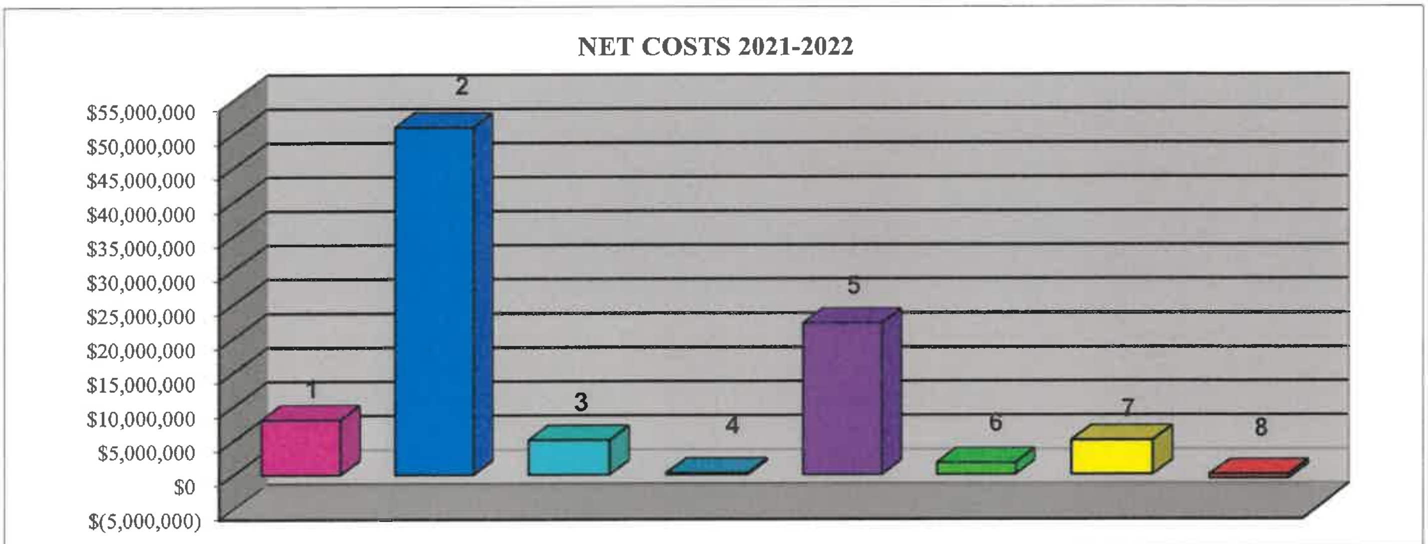

EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022
Instruction
56.51%
General Support
7.99%
School Lunch Program
1.52%
Depreciation and
Amortization
4.95%
Debt Service Interest
1.66%
Employee Benefits
21.96%
Community Services
0.22%
Pupil Transportation
5.19%

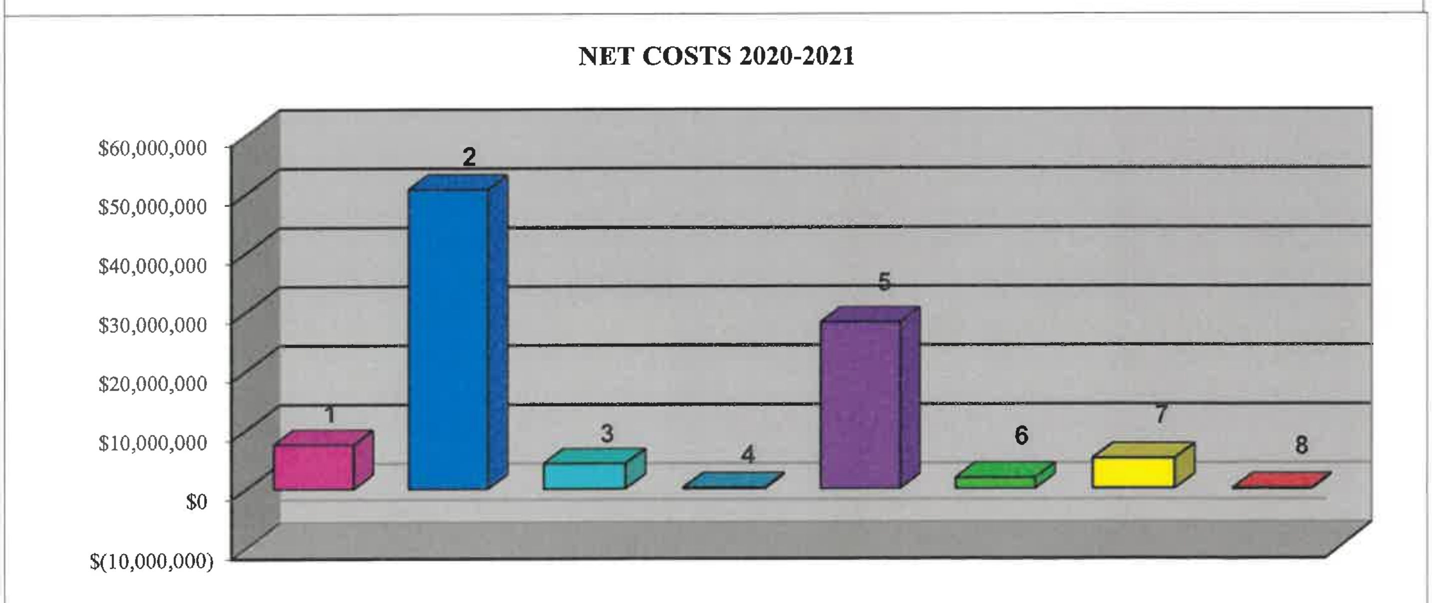

EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2021
Instruction
53.04%
General Support
7.36%
School Lunch Program
0.83%
Depreciation and
Amortization
4.99%
Debt Service Interest
1.77%
Employee
Benefits
27.67%
Community
Services
0.15%
Pupil Transportation
4.19%

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

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

		TOTAL COST OF SERVICES 2021-2022	NET COST OF SERVICES 2021-2022	TOTAL COST OF SERVICES 2020-2021	NET COST OF SERVICES 2020-2021
General Support	1	$ 8,050,813	$ 8,050,813	$ 7,490,908	$ 7,490,908
Instruction	2	56,939,135	50,930,416	53,962,235	50,699,577
Pupil Transportation	3	5,233,606	5,063,970	4,261,954	4,249,465
Community Services	4	220,270	220,270	156,508	156,508
Employee Benefits	5	22,134,975	22,134,975	28,159,482	28,159,482
Debt Service - Interest	6	1,671,829	1,671,829	1,796,697	1,796,697
Depreciation	7	4,991,947	4,991,947	5,081,252	5,081,252
School Lunch Program	8	1,533,723	(581,022)	845,821	(85,947)
		$ 100,776,298	$ 92,483,198	$ 101,754,857	$ 97,547,942





Financial Analysis of the District's Funds

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

	June 30, 2022				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 0	$ 17,314,171	$ 5,768,449	$ 4,232,934	$ 27,315,554
Special Aid	0	4	0	0	4
School Lunch	39,839	1,749,023	0	0	1,788,862
Miscellaneous Special Revenue	0	486,652	0	0	486,652
Capital Projects	0	0	0	(19,775,407)	(19,775,407)
Debt Service	0	1,603,936	0	0	1,603,936
	$ 39,839	$ 21,153,786	$ 5,768,449	$ (15,542,473)	$ 11,419,601

	June 30, 2021				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 0	13,706,735	$ 7,315,063	$ 4,090,008	$ 25,111,806
Special Aid	0	4	0	0	4
School Lunch	45,124	1,211,459	0	0	1,256,583
Miscellaneous Special Revenue	0	479,070	0	0	479,070
Capital Projects	0	0	0	(17,529,821)	(17,529,821)
Debt Service	0	676,370	0	0	676,370
	$ 45,124	$ 16,073,638	$ 7,315,063	$ (13,439,813)	$ 9,994,012

General Fund Budgetary Highlights

In assessing the overall operations of the General Fund for the year ended June 30, 2022, revenue and other sources of $96,446,318, exceeded expenditures and other uses of $94,242,569, by $2,203,749. Revenues for the school year increased by $2,777,164 over the prior year. Expenditures and uses decreased by $812,181.

Due to revenue limitations caused by the tax cap and flat or modest state aid increases in foundation aid, the district continues to explore options to contain expenses while maximizing all sources of revenue. The district's self-funded health insurance plan experienced an increase in expenditures of $267,425 or 2.91%. The district saw a modest increase in monthly claims throughout 2021-2022 as a result of more participation as Covid-19 restrictions were loosened. Despite declining enrollment, the district's special education classification rate has been constant and/or increasing. The special education program expenses increased $225,955 or 1.32%. The increase in expenditures was due to an increase in services provided compared to the prior year.

General Fund Budgetary Highlights (Continued)

In reviewing the actual results of operations for the General Fund for the year ended June 30, 2022 as compared to the adjusted budget, revenues were greater than the budget by $384,209 (.40%) and the unencumbered expenditures were $8,390,729 (8.11%) under budget. For the prior year ended June 30, 2021, revenues were less than the budget by $173,416 (.18%) and the unencumbered expenditures were $9,489,768 (9%) under budget.

Unclassified revenues and refunds for prior year expenses were over budget $434,965 (51.2%) due in large part to BOCES rental income and prior year surplus. State Aid was $1,051,304 (2.4%) under budget due to lower than anticipated transportation aid, excess cost aid, and tuition aids. Insurance recoveries / compensation for loss were $696,580 (464.39%) over budget due to health insurance recoveries and stop loss insurance recovery revenue.

The District appropriated $6,439,748 of fund balance to reduce the 2021-2022 tax levy as compared to $6,153,988 for the prior year. Appropriation of fund balance continues to be managed to ensure that funds are available to meet the program and operational needs of the district while adhering to property tax cap guidelines in order to avoid significant tax increases in the future.

For fiscal year 2022-2023, the District has appropriated $5,339,333 of fund balance to reduce the tax levy.

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

- New York State Property Tax Cap formula restrictions limiting tax revenues during challenging economic times
- Uncertainty regarding state aid funding and foundation aid revenues due to statewide budget constraints
- Uncertainty regarding state aid due to holdbacks that may or may not be paid in full or become future fiscal period payments.
- Costs of employee benefits for pensions and healthcare due to stock market volatility, increasing medical and prescription drug costs
- Increasing special education program and tuition costs required to meet federal and state legislative mandates.

Management believes that the budget adopted for 2022-2023 is reasonably adaptable to any adverse changes that may arise based on the above factors.

The New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a "property tax cap" on the amount that a school district's property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast. The legislation took effect beginning with the 2012-2013 school year.

Other Fund Highlights

The Special Aid Fund - for the year ended June 30, 2022, an interfund transfer from the General Fund to the Special Aid Fund in the amount of $275,815 was made to provide funds for the required 20% local match for the Summer Handicapped Program. Fund balance at year end was $4.

Other Fund Highlights (Continued)

The School Lunch Fund had revenue that exceeded expenditures by $532,278. Fund balance increased to $1,256,583. The district participated in the SSO food program with the USDA to provide free meals to all children 18 year of age younger. Meals were provided to students free of charge on site, this program resulted in a significant increase in school lunch participation. The district also experienced increased revenues due to additional Covid-19 funding through the participation of programs not typically available to the district, which yielded greater reimbursements than typical. Meals are no longer free for all students in the 2022-2023 school year. The district anticipates decreased participation and increased unpaid balances in the 2022-2023 school year. The district will continue to look at equipment replacement as needed, in all the buildings, for food service.

Debt Service Fund ended the year with a fund balance of $1,603,936. This fund balance will be appropriated in future years to offset principal and interest payments.

The Capital Fund ended the year with a deficit fund balance of ($19,775,407). This deficit will be eliminated as projects are completed and permanent financing is obtained.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2022 and 2021, was $92,523,505 and $92,337,834 respectively. The total increase in this net investment was .20% for the District as a whole (see schedule below). The District expended $5,246,509 to acquire and construct capital assets during the fiscal year ended June 30, 2022. Assets retired from service had a net basis of $49,980 and depreciation expense for the fiscal year was $4,991,947. Amortization was $190,606.

CAPITAL ASSETS

Net of Accumulated Depreciation and Amortization

	School District Activities		
	June 30, 2022	June 30, 2021	% Change
Non-Depreciable Assets:			
Land	$ 879,619	$ 879,619	0.00%
Construction in Progress	19,824,503	16,322,428	21.46%
Depreciable Assets:			
Building and Improvements	66,137,569	70,196,322	-5.78%
Furniture and Equipment	1,283,949	1,415,539	-9.30%
Vehicles	4,142,483	3,249,633	27.48%
Amortizable Assets:			
Furniture and Equipment	255,382	274,293	-6.89%
TOTALS	$ 92,523,505	$ 92,337,834	0.20%

Management Discussion and Analysis
(Continued)

Long-Term Debt

At the end of the fiscal year, the District had total bonded debt outstanding of $33,715,000. This amount is backed by the full faith and credit of the Minisink Valley Central School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

Beginning Balance	Issued	Paid	Ending Balance
$ 38,085,000	$ 0	$ 4,370,000	$ 33,715,000

Long-term debt also includes unamortized bond premiums of $3,017,857 related to various serial bonds used for advanced refunding. The premiums are being amortized over the lives of the bonds which mature between 2025 and 2037.

Bond Ratings

S & P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC ("S & P") has assigned a rating of "AA" with a stable outlook to the District's outstanding bonds. This rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services. There can be no assurance that such rating will not be lowered or withdrawn, if in the judgment of S & P, circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Patrick Witherow, Assistant Superintendent for Business, at the District's business office located at Route 6, Slate Hill, New York 10973.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

ASSETS	
Unrestricted Cash	$ 22,348,964
Restricted Cash	17,934,846
State & Federal Aid Receivable	5,464,875
Other Receivables, Net	315,512
Lease Receivable, Net	126,450
Inventories	39,839
Net Pension Asset - Proportionate Share	35,201,198
Right to Use Assets, Net	255,382
Non-Depreciable Assets	20,704,122
Depreciable Capital Assets, Net	71,564,001
TOTAL ASSETS	173,955,189
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts on Refunding	1,769,206
Pensions	23,871,414
Other Postemployment Benefits	32,182,463
TOTAL DEFERRED OUTFLOWS OF RESOURCES	57,823,083
LIABILITIES	
Accounts Payable	1,753,923
Accrued Liabilities	302,425
Due to Other Governments	201,485
Due to Teachers' Retirement System	3,497,968
Due to Employees' Retirement System	298,709
Other Liabilities	598,145
Bond Anticipation Notes	28,102,875
Overpayments and Collections in Advance	24,018
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Includes Deferred Refunding Premium $427,694)	4,972,694
Installment Purchase Debt	334,119
Lease Liability	13,167
Due and Payable In More Than One Year:	
Bonds Payable (Includes Deferred Refunding Premium $2,590,163)	31,760,163
Installment Purchase Debt	719,731
Lease Liability	25,229
Compensated Absences	1,360,436
Other Postemployment Benefits	169,367,840
Judgments and Claims	834,450
TOTAL LIABILITIES	244,167,377
DEFERRED INFLOWS OF RESOURCES	
Deferred Lease Revenues	125,328
Pensions	45,674,399
Other Postemployment Benefits	17,191,608
TOTAL DEFERRED INFLOWS OF RESOURCES	62,991,335
NET POSITION	
Net Investment in Capital Assets	28,109,484
Restricted	17,934,846
Unrestricted	(121,424,770)
TOTAL NET POSITION	$ (75,380,440)

See notes to financial statement.

SCHEDULE #2

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
FUNCTIONS & PROGRAMS				
General Support	$ (10,629,289)	$ 0	$ 0	$ (10,629,289)
Instruction	(79,056,673)	150,462	5,858,257	(73,047,954)
Pupil Transportation	(7,626,101)	0	169,636	(7,456,465)
Community Services	(220,270)	0	0	(220,270)
Debt Service - Interest	(1,671,829)	0	0	(1,671,829)
School Lunch Program	(1,572,136)	209,258	1,905,487	542,609
TOTAL FUNCTIONS & PROGRAMS	$ (100,776,298)	$ 359,720	$ 7,933,380	(92,483,198)
GENERAL REVENUES				
Real Property Taxes				45,475,166
Other Tax Items				5,178,267
Use of Money & Property				262,883
Sale of Property & Compensation for Loss				897,945
Miscellaneous				1,428,394
State Sources				44,998,054
Federal Sources				463,431
TOTAL GENERAL REVENUES				98,704,140
CHANGE IN NET POSITION				6,220,942
NET POSITION, BEGINNING OF YEAR, AS RESTATED				(81,601,381)
NET POSITION, END OF YEAR				$ (75,380,439)

See notes to financial statement.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Unrestricted Cash	$ 13,322,672	$ 25	$ 1,205,809	$ 0	$ 7,820,458	$ 0	$ 22,348,964
Restricted Cash	15,843,076	0	0	488,144	0	1,603,626	17,934,846
State & Federal Aid Receivable	2,366,393	2,733,572	364,910	0	0	0	5,464,875
Due from Other Funds	2,247,884	0	409,135	0	636,333	310	3,293,662
Other Receivables, Net	315,284	0	0	0	0	0	315,284
Lease Receivable, Net	126,450	0	0	0	0	0	126,450
Inventories	0	0	39,839	0	0	0	39,839
TOTAL ASSETS	$ 34,221,759	$ 2,733,597	$ 2,019,693	$ 488,144	$ 8,456,791	$ 1,603,936	$ 49,523,920
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 1,430,565	$ 0	$ 194,345	$ 0	$ 129,013	$ 0	$ 1,753,923
Accrued Liabilities	150,777	1,019	0	0	0	0	151,796
Due to Other Governments	199,946	0	46	1,493	0	0	201,485
Due to Other Funds	1,045,468	2,247,884	0	0	310	0	3,293,662
Due to Teachers' Retirement System	3,497,968	0	0	0	0	0	3,497,968
Due to Employees' Retirement System	298,709	0	0	0	0	0	298,709
Other Liabilities	77,014	484,690	36,441	0	0	0	598,145
Bond Anticipation Notes	0	0	0	0	28,102,875	0	28,102,875
Overpayments and Collections in Advance	24,018	0	0	0	0	0	24,018
TOTAL LIABILITIES	6,724,465	2,733,593	230,832	1,493	28,232,198	0	37,922,581
DEFERRED INFLOWS OF RESOURCES							
Deferred Revenue	56,411	0	0	0	0	0	56,411
Deferred Lease Revenue	125,328	0	0	0	0	0	125,328
TOTAL DEFERRED INFLOWS OF RESOURCES	181,739	0	0	0	0	0	181,739
FUND BALANCES							
Fund Balance:							
Nonspendable	0	0	39,839	0	0	0	39,839
Restricted	17,314,171	4	1,749,022	486,651	0	1,603,936	21,153,784
Assigned	5,768,449	0	0	0	0	0	5,768,449
Unassigned	4,232,935	0	0	0	(19,775,407)	0	(15,542,472)
TOTAL FUND BALANCES	27,315,555	4	1,788,861	486,651	(19,775,407)	1,603,936	11,419,600
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	$ 34,221,759	$ 2,733,597	$ 2,019,693	$ 488,144	$ 8,456,791	$ 1,603,936	$ 49,523,920

See notes to financial statement.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS				
Unrestricted Cash	$ 22,348,964	$ 0	$ 0	$ 22,348,964
Restricted Cash	17,934,846	0	0	17,934,846
State & Federal Aid Receivable	5,464,875	0	0	5,464,875
Due from Other Funds	3,293,662	0	(3,293,662)	0
Other Receivables, Net	315,284	228	0	315,512
Lease Receivable, Net	126,450	0	0	126,450
Inventories	39,839	0	0	39,839
Net Pension Asset - Proportionate Share	0	35,201,198	0	35,201,198
Right to Use Assets, Net	0	255,382	0	255,382
Non-Depreciable Assets	0	20,704,122	0	20,704,122
Depreciable Capital Assets, Net	0	71,564,001	0	71,564,001
TOTAL ASSETS	49,523,920	127,724,931	(3,293,662)	173,955,189
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts on Refunding	0	1,769,206	0	1,769,206
Pensions	0	23,871,414	0	23,871,414
Other Postemployment Benefits	0	32,182,463	0	32,182,463
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	57,823,083	0	57,823,083
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$ 49,523,920	$ 185,548,014	$ (3,293,662)	$ 231,778,272
LIABILITIES				
Accounts Payable	$ 1,753,923	$ 0	$ 0	$ 1,753,923
Accrued Liabilities	151,796	150,629	0	302,425
Due to Other Governments	201,485	0	0	201,485
Due to Other Funds	3,293,662	0	(3,293,662)	0
Due to Teachers' Retirement System	3,497,968	0	0	3,497,968
Due to Employees' Retirement System	298,709	0	0	298,709
Other Liabilities	598,145	0	0	598,145
Bond Anticipation Notes	28,102,875	0	0	28,102,875
Overpayments and Collections in Advance	24,018	0	0	24,018
Bonds Payable	0	36,732,857	0	36,732,857
Installment Purchase Debt	0	1,053,850	0	1,053,850
Lease Liability	0	38,396	0	38,396
Compensated Absences	0	1,360,436	0	1,360,436
Other Postemployment Benefits	0	169,367,840	0	169,367,840
Judgments and Claims	0	834,450	0	834,450
TOTAL LIABILITIES	37,922,581	209,538,458	(3,293,662)	244,167,377
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues	56,411	(56,411)	0	0
Deferred Lease Revenue	125,328	0	0	125,328
Pensions	0	45,674,399	0	45,674,399
Other Postemployment Benefits	0	17,191,608	0	17,191,608
TOTAL DEFERRED INFLOWS OF RESOURCES	181,739	62,809,596	0	62,991,335
FUND BALANCES / NET POSITION	11,419,600	(86,800,040)	0	(75,380,440)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES/NET POSITION	$ 49,523,920	$ 185,548,014	$ (3,293,662)	$ 231,778,272

See notes to financial statement.

SCHEDULE #5

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Real Property Taxes	$ 45,475,166	$ 0	$ 0	$ 0	$ 0	$ 0	$ 45,475,166
Other Tax Items	5,178,267	0	0	0	0	0	5,178,267
Charges for Services	94,051	0	0	0	0	0	94,051
Use of Money & Property	258,064	0	1,256	647	0	2,688	262,655
Sale of Property & Compensation for Loss	947,925	0	0	0	0	0	947,925
Miscellaneous	841,947	0	273	283,217	0	0	1,125,437
State Sources	42,712,772	1,492,722	30,189	0	2,910,094	0	47,145,777
Federal Sources	463,431	3,910,359	1,875,298	0	0	0	6,249,088
Sales	0	0	208,985	0	0	0	208,985
TOTAL REVENUES	95,971,623	5,403,081	2,116,001	283,864	2,910,094	2,688	106,687,351
EXPENDITURES							
General Support	8,041,758	62,859	0	0	0	0	8,104,617
Instruction	51,905,453	4,863,394	0	276,283	0	0	57,045,130
Pupil Transportation	5,021,561	212,045	0	0	0	0	5,233,606
Community Services	220,270	0	0	0	0	0	220,270
Employee Benefits	20,934,943	540,598	0	0	0	0	21,475,541
Debt Service:							
Principal	5,787,235	0	0	0	0	0	5,787,235
Interest	1,880,839	0	0	0	0	0	1,880,839
Cost of Sales	0	0	1,533,723	0	0	0	1,533,723
Capital Outlay	174,695	0	0	0	5,192,705	0	5,367,400
TOTAL EXPENDITURES	93,966,754	5,678,896	1,533,723	276,283	5,192,705	0	106,648,361
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	2,004,869	(275,815)	582,278	7,581	(2,282,611)	2,688	38,990
OTHER SOURCES & USES							
Bond Anticipation Notes Paid from Current Appropriations	0	0	0	0	908,673	0	908,673
Premium on Obligation	0	0	0	0	0	303,230	303,230
Leases	174,695	0	0	0	0	0	174,695
Operating Transfers In	300,000	275,815	0	0	0	736,934	1,312,749
Operating Transfers (Out)	(275,815)	0	(50,000)	0	(871,648)	(115,286)	(1,312,749)
TOTAL OTHER SOURCES & USES	198,880	275,815	(50,000)	0	37,025	924,878	1,386,598
NET CHANGES IN FUND BALANCES	2,203,749	0	532,278	7,581	(2,245,586)	927,566	1,425,588
FUND BALANCES, BEGINNING OF YEAR	25,111,806	4	1,256,583	479,070	(17,529,821)	676,370	9,994,012
FUND BALANCES, END OF YEAR	$ 27,315,555	$ 4	$ 1,788,861	$ 486,651	$ (19,775,407)	$ 1,603,936	$ 11,419,600

See notes to financial statement.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
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

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 45,475,166	$ 0	$ 0	$ 0	$ 0	$ 45,475,166
Other Tax Items	5,178,267	0	0	0	0	5,178,267
Charges for Services	94,051	56,411	0	0	0	150,462
Use of Money & Property	262,655	228	0	0	0	262,883
Sale of Property & Compensation for Loss	947,925	0	(49,980)	0	0	897,945
Miscellaneous	1,125,437	0	0	0	0	1,125,437
State Sources	47,145,777	0	0	0	0	47,145,777
Federal Sources	6,249,088	0	0	0	0	6,249,088
Sales	208,985	0	0	0	0	208,985
TOTAL REVENUES	106,687,351	56,639	(49,980)	0	0	106,694,010
EXPENDITURES						
General Support	8,104,617	0	(24,162)	0	2,548,834	10,629,289
Instruction	57,045,130	(299,601)	4,370,928	0	17,940,216	79,056,673
Pupil Transportation	5,233,606	0	746,570	0	1,645,925	7,626,101
Community Services	220,270	0	0	0	0	220,270
Employee Benefits	21,475,541	659,434	0	0	(22,134,975)	0
Debt Service:						
Principal	5,787,235	0	0	(4,878,562)	(908,673)	0
Interest	1,880,839	(15,113)	0	(193,897)	0	1,671,829
Cost of Sales	1,533,723	0	38,413	0	0	1,572,136
Capital Outlay	5,367,400	0	(5,192,705)	0	(174,695)	0
TOTAL EXPENDITURES	106,648,361	344,720	(60,956)	(5,072,459)	(1,083,368)	100,776,298
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	38,990	(288,081)	10,976	5,072,459	1,083,368	5,917,712
OTHER SOURCES & USES						
Bond Anticipation Notes Paid from Current Appropriations	908,673	0	0	0	(908,673)	0
Premium on Obligation	303,230	0	0	0	0	303,230
Leases	174,695	0	0	0	(174,695)	0
Operating Transfers In	1,312,749	0	0	0	(1,312,749)	0
Operating Transfers (Out)	(1,312,749)	0	0	0	1,312,749	0
TOTAL OTHER SOURCES & USES	1,386,598	0	0	0	(1,083,368)	303,230
NET CHANGE FOR THE YEAR	$ 1,425,588	$ (288,081)	$ 10,976	$ 5,072,459	$ 0	$ 6,220,942

See notes to financial statement.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

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

A. Reporting Entity

Minisink Valley 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 9 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. 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.

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight and administrative involvement over these funds. The Extraclassroom Activity Funds have designated student management that is overseen by faculty advisors. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for extraclassroom activities in its Miscellaneous Special Revenue Fund.

B. Joint Venture

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture (Continued)

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

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

During the year, the District was billed $13,249,933 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,073,367. Financial Statements for BOCES are available from the BOCES administrative office located at 53 Gibson Road, Goshen, NY 10924.

C. Basis of Presentation

1. District-Wide Statements

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

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

2. Funds Statements

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements (Continued)

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for other proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes and the specific revenue sources continue to make up a substantial portion of the inflows reported in the fund. Revenue reported in this fund includes gifts and donations that are restricted for scholarships and revenue generated by students through extraclassroom activities that are restricted for extraclassroom activities. Other resources, such as investment earnings and transfers, may also be reported in the fund.

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

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.

D. Measurement Focus and Basis of Accounting

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. The 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 90 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 became a lien on August 16, 2021. Taxes were collected during the period September 1, 2021 through October 31, 2021.

Uncollected real property taxes are subsequently enforced by Orange County. The County pays an amount representing all uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

G. Interfund Transactions

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

In the district-wide statements, eliminations have been made for all interfund receivables and payables between the funds. The governmental funds report all interfund transactions as originally recorded.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Interfund Transactions (Continued)

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

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and 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, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from 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 United States and its agencies and obligations of the State and its municipalities and Districts.

J. Accounts Receivable

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.

K. Lease Receivable

Leases receivable are recorded at net present value of the lease, with a corresponding deferred inflow of resources.

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 which approximates market. Purchases of inventoriable

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

L. Inventories and Prepaid Items (Continued)

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. Capital Assets

Capital assets are reported at cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Land and Construction in Progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land Improvements	$ 5,000	Straight Line	40 years
Buildings and Improvements	5,000	Straight Line	40 years
Furniture and Equipment	5,000	Straight Line	5 - 20 years
Vehicles	5,000	Straight Line	8 years

The board approved an increase in the capitalization thresholds from $1,000 to $5,000 effective July 1, 2012. Assets capitalized prior to July 1, 2012 will continue to be depreciated over their remaining estimated useful lives.

N. Right to Use Asset

A right of use asset is a lessee's right to use an asset over the life of the lease. Right to use assets are reported at present value.

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 district has three items that qualify for reporting in this category.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

O. Deferred Outflows and Inflows of Resources (Continued)

The first is deferred amounts on refunding in the Statement of Net Position as deferred outflows of resources. A deferred amount 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 deferred outflow is related to pensions reported in the Statement of Net Position. For additional information on the deferred outflows related to pensions, see Note 11. The third deferred outflow is related to other postemployment retirement benefits reported in the Statement of Net Position. For additional information on the deferred outflows related to other postemployment retirement benefits, see Note 13.

In addition to liabilities, the statement of net position reports 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. The District reports a deferred inflow of resources related to pensions in the Statement of Net Position. For additional information on the deferred inflows related to pensions, see Note 11. The District also reports deferred inflow of resources in the Statement of Net Position related to other postemployment retirement benefits. For additional information on the deferred inflows related to other postemployment retirement benefits, see Note 13. The third deferred inflow relates to Leases Receivable which are reported in the governmental funds and the Statement of Net Position.

P Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenues arise 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

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical or personal 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 in varying time periods.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Vested Employee Benefits (Continued)

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 statements. The compensated absences liability is calculated on the pay rates in effect at year-end.

2. Other Benefits

Eligible 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 postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee based on the contract in place at the employees' retirement date. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. 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 are 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 revenue being less than the amount budgeted for that year. The deficiency notes may mature no later than the close of the year following the year in which they were issued. However, they may mature no later than the close of the second 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 year following the year in which they were issued.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. 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 are 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.

T. Equity Classifications

1. District-wide Statements

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, 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 met the definition of the above two classifications and are deemed to be available for general use by the District.

2. Funds Statements

In the governmental fund statements, there are five classifications of fund balance:

Non-spendable – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of $39,839.

Restricted – Includes amounts with constraints placed on the use of resources either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or (b) 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 District has established the following restricted fund balances:

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Capital Reserve

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

Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) is 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. The reserve is accounted for in the General Fund.

Unemployment Insurance Reserve

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 District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Property Loss Reserve and Liability Reserve

Property Loss Reserve and Liability Reserve (Education Law §1709(8) (c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims 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. These reserves are accounted for in the General Fund.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Insurance Reserve

According to General Municipal Law §6-n §3653, must be used for expenditures for any loss, claim, action or judgement for which the school district is authorized to purchase or maintain insurance. 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. The reserve is accounted for in the General Fund.

Tax Certiorari Reserve

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. The reserve is accounted for in the General Fund.

Employee Benefit Accrual Reserve

According to General Municipal Law §6-p, must be used for 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. The reserve is accounted for in the General Fund.

Retirement Contribution Reserve

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted separate and apart from all other funds and a detailed report of operations and condition of the fund must be provided to the Board. The reserve is accounted for in the General Fund.

Teachers Retirement Contribution Reserve

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System ("TRS") and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law § 521. 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. The amount of moneys contributed to the TRS sub-fund annually cannot exceed 2% of the total covered salaries paid during the previous fiscal year with the total amount funded not to exceed 10% of the total covered salaries of all paid during the previous fiscal year.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Fund Statements (Continued)

Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Restricted fund balance at June 30, 2022 consisted of:

General Fund:	
Capital Reserve	$ 2,833,596
Workers' Compensation Reserve	500,055
Unemployment Insurance Reserve	465,162
Property Loss Reserve and Liability Reserve	119,710
Insurance Reserve	8,196,002
Tax Certiorari Reserve	993,452
Employee Benefit Accrued Liability Reserve	1,529,815
Retirement Contribution Reserve	1,552,266
TRS Retirement Contribution Reserve	1,124,113
	17,314,171
Special Aid Fund	4
School Lunch Fund	1,749,022
Miscellaneous Special Revenues:	
Scholarships	300,768
Extraclassroom Activity	185,884
Debt Service Fund	1,603,936
Total Restricted Fund Balance	$ 21,153,785

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 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.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Unassigned – Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

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

Limitation on Unexpended Surplus Funds:

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

U. 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 standards issued by GASB:

- GASB Statement 87, *Leases,* effective for the year ending June 30, 2022.
- GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the year ending June 30, 2022.
- GASB Statement 92, *Omnibus 2020,* effective for the year ending June 30, 2022.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* effective for the year ending June 30, 2022.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. New Accounting Standards (Continued)

GASB has issued Statement 87, *Leases*, which will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were not 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 and underlying asset. Under, this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has implemented Statement 87 as required.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The District has implemented Statement 89 as required.

GASB has issued Statement 92, *Omnibus 2020*, which will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The District has implemented Statement 92 as required.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The District has implemented Statement 97 as required.

V. Future Changes in Accounting Standards

GASB has issued Statement 91, *Conduit Debt Obligations*, which will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

V. Future Changes in Accounting Standards (Continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will improve financial reporting by establishing the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB has issued Statement 98, *The Annual Comprehensive Financial Report*, this Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB has issued Statement 99, *Omnibus 2022*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 and/or 2024 financial statements, as applicable.

GASB has issued Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

V. Future Changes in Accounting Standards (Continued)

assessing accountability. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2024 financial statements.

GASB has issued Statement 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2025 financial statements.

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.

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2022 were as follows:

Original Cost of Capital Assets	$ 180,632,073
Accumulated Depreciation	(88,363,950)
	$ 92,268,123

2. The costs of right to use assets (building and equipment) financed from governmental funds are reported as expenditures building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with the present value capitalized and amortization is expensed annually over their period of use. The balances at June 30, 2022 were as follows:

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities: (Continued)

Original Cost of Right to Use Assets	$ 448,988
Accumulated Amortization	(193,606)
	$ 255,382

3. In a debt refunding, the difference between the reacquisition price and the net carrying amount of the old bonds is recorded as the deferred amount on refunding and included as a deferred outflow of resources in the Statement of Net Position. However, this amount is not included on the Balance Sheet as it was recorded as an expenditure when it was due, and thus required the use of current financial resources. The balances at June 30, 2022 were as follows:

Deferred Amount on Refunding	$ 1,769,206

4. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized.

   Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. The balances at June 30, 2022 were as follows:

Net Pension Asset - Proportionate Share	$ 35,201,198
Deferred Outflows of Resources - Pensions	23,871,414
Deferred Inflows of Resources - Pensions	(45,674,399)
	$ 13,398,213

5. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2022 was as follows:

Accrued Interest	$ 150,629

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities: (Continued)

6. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balance at June 30, 2022 was as follows:

Bonds Payable (Including Deferred)	$ 36,732,857
Installment Purchase Debt	1,053,850
Compensated Absences	1,360,436
Judgments and Claims	834,450
Other Postemployment Benefits	169,367,840
Lease Liability	38,396
Deferred Outflows of Resources - OPEB	(32,182,463)
Deferred Inflows of Resources - OPEB	17,191,608
	$ 194,396,974

7. Interest receivable is accrued in the Statement of Net Position. This asset does not appear on the Balance Sheet because interest is recorded when received. The balance at June 30, 2022 was as follows:

Interest Receivable	$ 228

8. Deferred revenues are reported in the Balance Sheet for items that are not recognized in revenue in the current year however, the amount is not included in the Statement of Net Position. The balance at June 30, 2022 was as follows:

Deferred Revenue	$ 56,411

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 five broad categories. The amounts shown below represent:

1. 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.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

2. 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.

3. 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.

4. Pension Plan Transaction Differences

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

5. Other Postemployment Benefit (OPEB) Related Differences

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

Explanation of Differences between Statement of Revenues, Expenditures and the Change in Fund Balance and the Statement of Activities

Total Revenues and Other Funding Sources

Total revenues and other funding sources reported in governmental funds (Schedule 5)	108,073,949
Because some revenue will not be collected for several months after the District's year-end, they are not considered as "available" revenues in the governmental funds. However, they are considered to be earned in the Statement of Activities.	56,411
Interet earned on Leases is considered earned in the Statement of Activities.	228
Loss on retirement of fixed assets is recognized in the entity wide statements under full accrual accounting, whereas it is not in the governmental funds.	(49,980)
Revenue from Leases that are financed is recognized in the governmental funds, but is recorded as a liability in the Statement of Net Position and does not affect the Statement of Activities and Changes in Net Position.	(174,695)
Repayment of BANs is reported as revenue in the governmental funds, but is recorded as a liability in the Statement of Net Position and does not affect the Statement of Activities and Changes in Net Position.	(908,673)
Total revenues in the Statement of Activities (Schedule 2)	$ 106,997,240

Total Expenditures & Other Uses/Expenses

Total expenditures and other uses reported in governmental funds (Schedule 5)	$ 106,648,361
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $5,246,509 was more than depreciation of $4,991,947, in the current year.	(254,562)
When the lease of right of use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the year paid. However, in the Statement of Activities, the present value of those assets is allocated over the period of use and reported as amortization expense. This is the amount by which amortization of $193,606 was greater than the present value the right of use asset of $174,695 purchased in the current year.	18,911

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

Total Expenditures & Other Uses/Expenses (Continued)

In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amount actually paid). The amount by which compensated absences paid were more than the amount earned during the year was $299,601. Judgments and claims paid exceeded the claims incurred in the amount of $313,431 during the year.	13,830
In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. However, in the governmental funds, OPEB expenditures are measured by the amount of financial resources used (essentially the amount actually paid). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	6,670,763
In the Statement of Activities pension expense related to the ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was less than the amount of financial resources expended during the year.	(6,324,760)
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable last year exceeded the interest payable this year.	(15,113)
Premiums and discounts on long-term debt issuances and deferred amounts from debt refundings are recognized in the year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. This is the amount that was amortized during the year.	(193,897)
Repayment of BANs is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Assets, and does not affect the Statement of Activities.	(908,673)
Payment of lease principal is an expenditure in the governmental funds, but does reduce liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(190,512)
Repayment of bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Assets and does not affect the Statement of Activities.	(4,688,050)
Total expenses in the Statement of Activities (Schedule 2)	$ 100,776,298

NOTE 3. CHANGE IN ACCOUNTING PRINCIPLES.

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of the statement establishes criteria for identifying lease activities for accounting and financial reporting purposes. See note 19 for the financial statement impact of the implementation of the statement.

NOTE 4. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

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

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

The General Fund is the only fund with a legally approved budget for the year ended June 30, 2022.

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

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as 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.

NOTE 5. CASH.-CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL

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:

Uncollateralized	$	0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$	33,249,100

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 $17,934,847 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

The District participates in a multi-municipal cooperative investment pool agreements pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the New York Liquid Asset Fund cooperative as of year-end are $534,631,412, which consisted of $265,100,000 in Repurchase Agreements, $171,432,733 in Bank Products, $97,894,448 in, U.S. Treasury/Agency Securities and $204,231 in cash and equivalents all with various interest rate and due dates.

The following amounts invested in this cooperative are included as unrestricted and restricted cash:

Fund	Bank Balance	Carrying Amount
General Fund	$8,170,542	$8,170,542

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of New York Liquid Asset Fund.

NOTE 6. CAPITAL ASSETS.

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

Governmental activities:	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital assets not being depreciated:				
Land	$ 879,619	$ 0	$ 0	$ 879,619
Construction in Progress	16,322,428	3,502,075	0	19,824,503
Total Nondepreciable Assets	17,202,047	3,502,075	0	20,704,122
Capital assets being depreciated:				
Buildings and Improvements	137,792,410	0	0	137,792,410
Furniture and Equipment	11,078,042	57,029	(39,895)	11,095,176
Vehicles	10,311,418	1,687,405	(958,458)	11,040,365
Total Depreciable Assets	159,181,870	1,744,434	(998,353)	159,927,951
Less: Accumulated Depreciation	(84,320,376)	(4,991,947)	948,373	(88,363,950)
Capital Assets, Net	$ 92,063,541	$ 254,562	$ (49,980)	$ 92,268,123

Depreciation expense was charged to governmental functions as follows:

General Support	$ 29,642
Instruction	4,177,322
Transportation	746,570
Cost of Sales	38,413
Total Depreciation	$ 4,991,947

NOTE 7. RIGHT TO USE ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Right to use assets that are amortized:				
Equipment	$ 224,813	$ 174,695	$ 0	$ 399,508
Building	49,480			49,480
Less: Accumulated Amortization	0	(193,606)	0	(193,606)
Right To Use Assets, Net	$ 274,293	$ (18,911)	$ 0	$ 255,382

Amortization expense was charged to the governmental functions as follows:

Instruction	$ 193,606
Total Amortization	$ 193,606

NOTE 8. LEASES.

District as Lessor.

The District is reporting Leases Receivable of $126,450 at June 30, 2022. For the fiscal year, the District reported Lease revenue of $108,403 and interest revenue of $3,779 related to the lease payments received. A schedule of maturity is as follows:

	Leases Receivable	
For the Year Ended June 30,	Principal	Interest
2023	$ 110,336	$ 1,845
2024	5,256	306
2025	5,370	191
2026	5,488	74
2027	0	0
Total	$ 126,450	$ 2,416

District as Lessee

A summary of the lease agreements in place as of June 30, 2022 are as follows:

Description	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2022
Pitney Bowes	15 Months	$ 319	2.16%	$ 4,732	$ 955
Installment Purchase Agreement	I Year	175,009	2.16%	174,695	-
Bus Garage	48 months	1,075	2.16%	49,480	37,440
					$ 38,395

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

	Leases Payable	
For the Year Ended June 30,	Principal	Interest
2023	$ 13,167	$ 691
2024	12,478	422
2025	12,750	150
Total	$ 38,395	$ 1,263

NOTE 9. SHORT-TERM DEBT.

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

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance June 30, 2021
BAN	6/25/2023	1.25%	$ 28,011,547	$ 1,000,000	$ 908,672	$ 28,102,875

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

Interest Paid	$ 321,875
Less: Interest Accrued in the Prior Year	(5,836)
Plus: Interest Accrued in the Current Year	15,065
Interest Expense	$ 331,104

NOTE 10. LONG-TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable	$ 38,085,000	$ 0	$ 4,370,000	$ 33,715,000	$ 4,545,000
Deferred Premium on Refunding	3,445,551	0	427,694	3,017,857	427,694
Total Bonds Payable	41,530,551	0	4,797,694	36,732,857	4,972,694
Installment Purchase Debt	1,371,900	0	318,050	1,053,850	334,119
Total Bonds and Notes Payable	42,902,451	0	5,115,744	37,786,707	5,306,813
Other Liabilities:					
Compensated Absences	1,660,037	0	299,601	1,360,436	0
Other Postemployment Benefit	156,232,987	10,035,292	(3,099,561)	169,367,840	0
Judgments and Claims	521,019	12,524,849	12,211,418	834,450	0
Lease Liability	54,212	174,696	190,512	38,396	13,167
Net Pension Liability - Proportionate Share	5,234,494	(698,839)	4,535,655	0	0
Total Other Liabilities	163,702,749	22,035,998	14,137,625	171,601,122	13,167
Total Long-Term Liabilities	$ 206,605,200	$ 22,035,998	$ 19,253,369	$ 209,387,829	$ 5,319,980

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

NOTE 10. LONG-TERM LIABILITIES. (Continued)

Existing serial bond and note obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
Refunding Series 2013	2013	2024	2.00% - 5.00%	$ 2,825,000
Refunding Series 2015	2015	2037	1.00% - 5.00%	25,140,000
Refunding Series 2016	2016	2025	2.00% - 4.00%	5,750,000
				33,715,000
Installment Purchase Debt				1,053,850
Total Debt				$ 34,768,850

The following is a summary of maturing debt service requirements:

	Serial Bonds		Installment Purchase Debt	
For the Year Ended June 30,	Principal	Interest	Principal	Interest
2023	$ 4,545,000	$ 1,276,050	$ 334,119	$ 48,470
2024	4,715,000	1,093,350	350,999	31,590
2025	3,415,000	889,100	368,732	13,856
2026	1,495,000	742,425	0	0
2027	1,570,000	665,800	0	0
2028 - 2032	8,975,000	2,207,925	0	0
2033 - 2037	9,000,000	659,856	0	0
TOTAL	$ 33,715,000	$ 7,534,506	$ 1,053,850	$ 93,916

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

Interest paid	$ 1,558,964
Less: Interest accrued in the prior year	(159,906)
Less: Amortization of premium and deferred amount -bond refundin;	(193,897)
Plus: Interest accrued in the current year	135,495
Total interest expense	$ 1,340,656

NOTE 11. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS 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 fiduciary net position allocated to the ERS System. The Comptroller of the State of

NOTE 11. PENSION PLANS. (Continued)

New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in 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. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the Systems website located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

NOTE 11 .PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

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

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credit service times final average salary.

Under Article 19 of the RSSL, eligible Tiers 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of two additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or a reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at ages 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55 through 62 regardless of service credit.

Vested Benefits

Retirement benefits after 5 years of credited service except for Tiers 5 and 6 where 10 years of credited service are required. Benefits are payable at age 55 or greater with the limitations noted for service requirements above.

Disability Benefits

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tiers 3 where disability retirement is permissible after 5 years credited New York State service pursuant to the provision of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

Prior Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of the annual benefit. The applicable percentage payable beginning September 2019 is 1.0%.

NOTE 11 PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

Contributions

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

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

Year	NYSTRS	NYSERS
2021 - 2022	$ 3,183,142	$ 1,398,242
2020 - 2021	3,036,515	1,455,448
2019 - 2020	2,831,895	1,438,421

The District chose to prepay the required contributions to ERS by December 15th each year and received a discount.

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

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

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) 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. 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.

At March 31, 2022, the District's proportion of the NYSERS net pension asset/(liability) was 0.0316229%, which was an increase of .0002763% from its proportion measured as of March 31, 2021.

NOTE 11. PENSION PLANS. (Continued)

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

At June 30, 2021, the District's proportion of the NYSTRS net pension asset/(liability) was 0.188217%, which was a decrease of 0.0000850% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District's recognized pension expense of $216,512 for ERS and the actuarial value ($1,956,240) for TRS. At June 30, 2022, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows or Resources			Deferred Inflows or Resources		
	ERS	TRS	Total	ERS	TRS	Total
Differences between expected and actual experience	$ 195,769	$ 4,495,791	$ 4,691,560	$ 253,923	$ 169,455	$ 423,378
Changes of Assumptions	4,314,145	10,728,136	15,042,281	72,797	1,899,795	1,972,592
Net difference between projected and actual earnings on pension plan investments	0	0	0	8,464,930	34,136,182	42,601,112
Changes in proportion and difference between the District's contributions and proportionate share of contributions	272,025	380,065	652,090	200,015	477,302	677,317
District's contributions subsequent to the measurement date	298,709	3,186,774	3,485,483	0	0	0
Total	$ 5,080,648	$ 18,790,766	$ 23,871,414	$ 8,991,665	$ 36,682,734	$ 45,674,399

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:

Year Ended:	ERS	TRS
2022	$ 0	$ 4,295,656
2023	606,116	5,022,239
2024	931,304	6,278,221
2025	2,228,943	8,193,845
2026	443,363	(1,616,969)
Thereafter	0	(1,094,250)

Actuarial Assumptions

The total ERS pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022.

NOTE 11. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

The total TRS pension liability at June 30, 2021 was determined by using an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. These actuarial valuations used the following actuarial assumptions.

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Inflation Rate	2.7%	1.95% - 5.18%
Projected Salary Increases	4.4%	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

	ERS	TRS
Cost of Living Adjustments	1.4%	1.3%, compounded annually
Investment Rate of Return, Including Inflation	5.90%, compounded annually, net of pension plan investment expense, including inflation.	6.95%, compounded annually, net of pension plan investment expense, including inflation.
Decrement Tables	Based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020	Based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.
Mortality Improvement	Society of Actuaries Scale MP-2020	Society of Actuaries Scale MP-2020

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

NOTE 11. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments for TRS 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.

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	March 31, 2022		Measurement Date	June 30, 2021	
	Target Allocation	expected real rate of return		Target Allocation	Long-term expected real rate of return*
Asset Class:			Asset Class:		
Domestic Equity	32%	3.30%	Domestic Equities	33%	6.80%
International Equity	15%	5.85%	International Equities	16%	7.60%
Private Equity	10%	6.50%	Global Equities	4%	7.10%
Real Estate	9%	5.00%	Real Estate Equities	11%	6.50%
Opportunist/ARS Portfolio	3%	4.10%	Private Equities	8%	10.00%
Credit	4%	3.78%	Domestic Fixed Income	16%	1.30%
Real Assets	3%	5.80%	Global Bonds	2%	0.80%
Fixed Income	23%	0.00%	High-yield Bonds	1%	5.90%
Cash	1%	-0.01%	Private Debt	1%	3.30%
			Real Estate Debt	7%	3.80%
			Cash Equivalents	1%	-0.02%
Total	100%		Total	100%	

The real rate of return is net of the long-term inflation assumption of 2.00%.

* Real rates of return are net of a long-term inflation assumption of 2.2%.

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 11. PENSION PLANS. (Continued)

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

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

ERS	1% Decrease 4.90%	Current Discount Rate 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (6,653,870)	$ 2,585,042	$ 10,312,946

TRS	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	3,422,590	32,616,156	57,151,230

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the measurement dates indicated below were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' total pension asset/(liability)	$ (223,874,888)	$ (130,819,415)
Plan net position	232,049,473	148,148,457
Employer's net pension asset/(liability)	$ 8,174,585	$ 17,329,042
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%	113.25%

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 contributions for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $298,709 of employer contributions. Employee contributions are remitted monthly.

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 state aid intercept. Accrued retirement contributions as of June 30, 2022 based on 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 $3,497,968.

NOTE 12. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 2,247,884	$ 1,045,468	$ 300,000	$ 275,815
Special Aid Fund	0	2,247,884	275,815	0
School Lunch Fund	409,135	0	0	50,000
Capital Fund	636,333	310	0	871,648
Debt Service Fund	310	0	736,934	115,286
Totals	$ 3,293,662	$ 3,293,662	$ 1,312,749	$ 1,312,749

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

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS.

General Information about the OPEB Plan

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

Benefits Provided – The District's OPEB plan subsidizes the cost of healthcare to eligible retired employees, their spouses and their dependent children. Minimum eligibility requirements for postemployment benefits are as follows:

- Employees are eligible for postretirement benefits if he/she has met the following requirements:
  - Administrators — Age 55 with 5 Years of Service
  - Cabinet — Age 55 with 5 Years of Service
  - CSEA — Age 55 with 20 Years of Service
  - Teachers — Age 55 with 10 Years of Service
- The School District reimburses a portion of the cost of Medicare Part B premiums to both retirees and covered spouses that retire prior to 9/1/2019. As a result of the district establishing its own viable self-funded insurance plan, only district employees (not spouses) will be reimbursed a portion of the Medicare Part B premiums for those retiring after 9/1/19. Surviving spouses are not eligible for Medicare Part B Reimbursement.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

- The Medicare part B reimbursement was frozen at $104.90/ month for all retirees effective September 2016.

Retirees and Spouses are required to make a contribution towards the cost of coverage based upon their cost sharing agreement with the District. Current retirees were supplied with their specific cost sharing arrangement in the data provided by the District. Future retirees are assumed to receive the following cost sharing arrangements.

		District Retirement Contribution % for		
Employment Unit	Yrs. Of Svc	Individual	2 Person	Family
Administrators/Cabinet				
(Terminated 7/1/18 - 6/30/19)	5 - 9	85%	70%	70%
	10+	90%	75%	75%
(Terminated 7/1/19 - 6/30/20)	5 - 9	80%	70%	70%
	10+	85%	75%	75%
(Terminated 7/1/20 - 6/30/21)	5 - 9	75%	70%	70%
	10+	80%	75%	75%
(Terminated Post 7/1/21)	5 - 9	70%	70%	70%
	10+	75%	75%	75%
CSEA	20+	90%	75%	65%
MVTA				
(Terminated 7/1/18 - 6/30/19)	10 - 14	80%	N/A	65%
	15 - 19	85%	N/A	70%
	20+	90%	N/A	75%
(Terminated 7/1/19 - 6/30/20)	10 - 14	75%	N/A	65%
	15 - 19	80%	N/A	70%
	20+	85%	N/A	75%
(Terminated Post 7/1/20)	10 - 14	70%	N/A	65%
	15 - 19	75%	N/A	70%
	20+	80%	N/A	75%

The cost sharing arrangements above are for future retirees. Current retirees may have a different arrangement based on when they retired.

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

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Employees Covered by Benefit Terms – At July 1, 2020, the actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	423
Active employees	500
Total Employees Covered by Benefit Terms	923

Total OPEB Liability

The District's total OPEB liability of $169,367,840 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2020 with update procedures used to roll forward the actuarial accrued liability to June 30, 2021.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2020 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	2.16%
Healthcare Cost Trend Rates	Pre-65: 7.35% for 2021, decreasing to an ultimate rate of 4.50% for 2029 and later years Post-65: 8.24% for 2021, decreasing to an ultimate rate of 4.50% for 2029 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay 0% - 30% of the cost of single coverage and 25% - 60% for the spouse/family based on years of service with the District. Surviving spouse pays 100% of the Premium cost.

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

Mortality rates were based on the PUB-2010 Headcount Weighted Mortality Table projected generationally with adjustments for mortality improvements based on the SOA Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study included in the valuation reports for ERS and TRS which are used to estimate the rate of retirement from the active plan and is based on age and gender.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Total OPEB Liability (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2021	$ 156,232,987
Changes for the Year:	
Service cost	6,468,196
Interest	3,567,096
Differences between expected and actual experience	(605,489)
Changes in assumptions or other inputs	6,307,472
Benefit payments	(2,602,422)
Net Changes	13,134,853
Balance at June 30, 2022	$ 169,367,840

Changes of benefit terms reflect the following changes:

- The discount rate was updated from 2.21% to 2.16% to be consistent with GASB 75 requirements and is based on the Bond Buyer 20 GO Bond Index.
- The ERS Retirement, Termination and Disability Rates were updated to reflect the recent ERS experience study.
- Mortality improvement scale has been updated from MP 2020 to MP 2021
- Health care cost trends were revised.
- The impact of the excise tax has been eliminated.

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

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	$ 201,716,745	$ 169,367,840	$ 143,794,422

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	$ 141,004,997	$ 169,367,840	$ 203,822,434

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of $9,612,920. At June 30, 2022, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 3,355,739	$ 2,012,350
Changes of assumptions or other inputs	25,884,567	15,179,258
District's contributions subsequent to the measurement date	2,942,157	0
Total	$ 32,182,463	$ 17,191,608

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2023. Other 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	$ (422,372)
2024	(422,372)
2025	832,102
2026	3,586,455
2027	4,812,030
Thereafter	3,662,855

NOTE 14. RISK MANAGEMENT.

General Information

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.

Workers' Compensation

The District participates in the Orange/Ulster School District Workers Compensation Plan. The plan is a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 20 individual governmental units located with the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to $500,000 per insured event. The pool obtains independent coverage for insured events in excess of the $500,000 limit, and the District has essentially transferred all related risk to the pool.

NOTE 14. RISK MANAGEMENT. (Continued)

Self-Funded Medical and Prescription Plan

The District self-insures for medical and prescription health insurance benefits for all eligible staff and retirees. The benefit administrators are responsible for the approval, processing and payment of claims which are funded by the District. Empire Blue Cross, Inc. is the third-party claims administrator for the District's health plan. EmpiRx is the third-party claims administrator for the District's prescription plan. The cost of medical and prescription claims are paid out of employee and employer contributions. The District pays the medical claims and related administrative fees on a weekly basis to Empire. The District pays prescription claims and related administrative fees on a bi-weekly basis to EmpiRx. Health claims reported and unreported claims which were incurred on or before year end, but which were not paid by the District as of that date in the amount of $581,457 have been recorded as provided by Empire. Prescription claims incurred prior to June 30, 2022, and paid in subsequently in the amount of $243,000 have been recorded as provided by EmpiRx.

To provide claims protection for unanticipated large claims, the District has purchased both aggregate and specific stop loss coverage from Empire Blue Cross Insurance Company. The aggregate insurance provides full coverage for aggregate claims in excess of 125% of expected claims. The specific stop loss insurance assumes the risk for claims on any individual in excess of $250,000 paid during the plan year. The plan recovered reimbursements from the stop loss policy for 2021-2022, in the amount of $320,456.

Self-Funded Dental and Vision Plan

The District is self-insured for dental and vision benefits for active and retired support staff and administrators. (The teachers' union maintains their own Benefit Trust Fund for dental and vision benefits for active employees.) The benefit administrators are responsible for the approval, processing and payment of claims which are funded by the District. Delta Dental of New York is the third party claims administrator for the District's dental plan. Empire Blue View, Inc. is the third party claims administrator for the District's vision plan. The claims for dental and vision care are paid out of employee, retiree and employer contributions. The District pays the dental claims and related administrative fees on a weekly basis by transferring funds to Delta Dental.

At June 30, 2022, the district estimated its Dental claims liability to be $9,993, which represents reported and unreported claims which were incurred on or before year end, but which were not paid by the District as of that date.

The District has not purchased stop loss insurance on the self-funded dental or vision plans as they both have a limited potential liability that does not represent a significant portion of the overall health insurance costs. The District's liability is limited to the annual dental maximum per covered individual, which is $1,500 for active employees and $1,000 for retirees for the year ended June 30, 2022. The vision benefits are limited to an annual plan maximum of approximately $250 per covered individual.

NOTE 14. RISK MANAGEMENT. (Continued)

Claims Activity Health Insurance, Prescriptions and Dental/Vision for the fiscal year is summarized below:

	Claims and Changes In Estimates	Claims Payments	Balances at End of Year
2022	$ 13,045,868	$ 12,211,418	$ 834,450

Incurred but not reported for fiscal year end June 30:

2022	$ 834,450

NOTE 15. COMMITMENTS AND CONTINGENCIES.

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

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessments rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions in excess of the Tax Certiorari Reserve will be funded in the year the payment is made.

NOTE 16. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. Encumbrances of appropriations of budgets for the year ended June 30, 2022 have been included in the assigned fund balances of the following fund as of June 30, 2022:

General Fund	$ 429,116
Total Encumbrances	$ 429,116

NOTE 17. TAX ABATEMENT.

The Orange County Industrial Development Agency ("the IDA") entered into property tax abatement agreements that reduced the District's gross tax revenues. Generally, property tax abatement agreements are entered into by the IDA under New York Real Property Tax Law, Section 412-a and General Municipal Law, Section 874 in order to induce businesses to acquire, renovate, construct and upgrade certain real property within Orange County. For a qualified and approved project, the IDA takes title or a leasehold interest in the property thereby technically making the property exempt from all real property taxes. However, the IDA requires the execution of a Payment in Lieu of Taxes (PILOT) Agreement with the company which requires the company to pay a reduced portion of the current real property taxes, including land and special district taxes, to the County, Town/Village and School District in which it is located and a graduated percentage of taxes upon the improvements constructed on the property.

For the fiscal year ended June 30, 2022, the District abated property taxes totaling $2,605,390 under these property tax abatement agreements and received payments in lieu of tax (PILOT) in the amount of $1,361,022.

NOTE 18. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 15, 2022 the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

NOTE 19. RESTATEMENT OF NET POSITION.

For the fiscal year ended June 30, 2022, the District implemented GASB Statement 87, *Leases*. GASB Statement 87, *Leases* establishes criteria for recognition of certain leased assets and liabilities that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract.

The implementation of this statement has resulted in changing the presentation of Lessee and Lessor transactions in the financial statements. Under this Statement, lessee transactions will now recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Right to use lease assets are amortized over the lease term.

Governmental Activities

Net Position, Beginning of Year, as Previously Reported:	$ (81,821,462)
Plus : Change in Accounting Principle, Right to Use Assets, Net - June 30, 2021	274,293.00
Less: Change in Accounting Principle, Lease Liability - June 30, 2021	(54,212)
Net Position, Beginning of Year, as Restated:	$ (81,601,381)

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Total OPEB Liability					
Service cost	$ 6,468,196	$ 4,749,279	$ 4,127,088	$ 4,795,821	$ 5,849,078
Interest	3,567,096	4,451,803	4,382,110	5,384,085	4,701,558
Changes of benefit terms	0	0	0	(24,077,442)	0
Differences between expected and actual experience	(605,489)	4,441,662	103,413	(3,157,237)	0
Changes in assumptions or other inputs	6,307,472	21,758,975	6,994,568	(16,734,976)	(21,554,166)
Benefit payments	(2,602,422)	(2,481,475)	(2,774,019)	(2,633,396)	(2,406,293)
Net change in total OPEB liability	13,134,853	32,920,244	12,833,160	(36,423,145)	(13,409,823)
Total OPEB liability-beginning	156,232,987	123,312,743	110,479,583	146,902,728	160,312,551
Total OPEB liability-ending	$ 169,367,840	$ 156,232,987	$ 123,312,743	$ 110,479,583	$ 146,902,728
Covered-employee payroll	$ 42,171,216	$ 39,183,327	$ 41,139,248	$ 38,749,014	$ 39,497,431
Total OPEB liability as a percentage of covered-employee payroll	401.62%	398.72%	299.74%	285.12%	371.93%

Notes to Schedule:

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

06/30/22	2.16%
06/30/21	2.21%
06/30/20	3.51%
06/30/19	3.87%
06/30/18	3.58%

Underlying claims were updated to reflect the most recent claims experience for the 6/30/19 period.

For the 6/30/22 period, the mortality improvement scale has been updated from the MP-20 to MP-2021
For the 6/30/21 period, the mortality improvement scale has been updated from the MP-2018 to MP-2020

For the 6/30/19 period, the mortality assumption was updated from the RP-2014 Combined Healthy Generational Mortality Table with projection scale MP-2016 from the Central Year to the PUB-2010 Headcount Weighted Mortality Table with projection scale MP-2018 varying based on Bargaining Unit Classification.

For the 6/30/18 period, the salary scale was updated to service-based tables from ERS and TRS.

For the 6/30/18 period, health care cost trends rates were updated based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on provisions of the benefits sponsored by the Minisink Valley Central School District.

* GASB 75 requires that the past 10 years of information be presented. However, until a full 10 year trend is compiled, information is presented for those years which information is available. Data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) REVISED BUDGET
REVENUES				
LOCAL SOURCES:				
Real Property Taxes	$ 45,491,438	$ 45,491,438	$ 45,475,166	$ (16,272)
Other Tax Items	5,177,163	5,177,163	5,178,267	1,104
Charges for Services	57,000	57,000	94,051	37,051
Use of Money & Property	30,000	30,000	258,064	228,064
Sale of Property & Compensation for Loss	156,000	156,000	947,925	791,925
Miscellaneous	621,000	872,688	841,947	(30,741)
STATE SOURCES	43,977,820	43,977,820	42,712,772	(1,265,048)
FEDERAL SOURCES	0	0	463,431	463,431
OTHER SOURCES:				
Leases	0	0	174,695	174,695
Operating Transfers In	300,000	300,000	300,000	0
TOTAL REVENUES	95,810,421	96,062,109	$ 96,446,318	$ 384,209
APPROPRIATED FUND BALANCE	7,315,063	7,430,063		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	$ 103,125,484	$ 103,492,172		

See paragraph on supplementary schedules included in auditor's report.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
EXPENDITURES					
GENERAL SUPPORT:					
Board of Education	$ 72,400	$ 93,918	$ 72,241	$ 350	$ 21,327
Central Administration	634,066	678,435	671,791	0	6,644
Finance	747,271	797,238	767,300	70	29,868
Staff	621,111	616,423	545,856	18,373	52,194
Central Services	5,386,750	5,402,458	4,871,818	81,364	449,276
Special Items	1,239,930	1,224,996	1,112,752	0	112,244
INSTRUCTIONAL:					
Instruction, Administration & Improvement	2,658,609	2,651,523	2,609,249	135	42,139
Teaching - Regular School	24,649,222	25,076,943	24,043,433	52,943	980,567
Programs for Children with Handicapping Conditions	20,155,486	19,636,296	17,297,149	133,360	2,205,787
Occupational Education	2,559,082	2,662,614	2,627,939	0	34,675
Teaching - Special Schools	776,224	776,224	607,578	0	168,646
Instructional Media	1,619,362	1,926,035	1,422,403	18,833	484,799
Pupil Services	3,493,038	3,644,311	3,297,702	9,745	336,864
Capital Outlay	0	0	174,695	0	(174,695)
PUPIL TRANSPORTATION	5,337,116	5,436,386	5,021,561	1,846	412,979
COMMUNITY SERVICES	243,600	243,600	220,270	0	23,330
EMPLOYEE BENEFITS	24,982,880	24,697,285	20,934,943	112,097	3,650,245
DEBT SERVICE:					
Debt Service - Principal	5,596,723	5,596,723	5,787,235	0	(190,512)
Debt Service - Interest	2,063,364	2,041,514	1,880,839	0	160,675
TOTAL EXPENDITURES	102,836,234	103,202,922	93,966,754	429,116	8,807,052
OTHER USES:					
Operating Transfers Out	289,250	289,250	275,815	0	13,435
TOTAL EXPENDITURES & OTHER USES	$ 103,125,484	$ 103,492,172	94,242,569	$ 429,116	$ 8,820,487
EXCESS OF EXPENDITURES AND OTHER USES OVER REVENUES AND OTHER SOURCES			$ 2,203,749		

See paragraph on supplementary schedules included in auditor's report.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014
District's proportion of the net pension asset/(liability)	0.0316229%	0.0313466%	0.0342779%	0.0323099%	0.0324686%	0.0298419%	0.0289498%	0.0304224%	0.0304224%
District's proportionate share of the net pension asset/(liability)	$ 2,585,042	$ (31,213)	$ (9,076,986)	$ (2,289,253)	$ (1,047,908)	$ (2,804,013)	$ (4,646,522)	$ (1,027,743)	$ (1,374,745)
District's covered-employee payroll	$ 9,529,628	$ 9,937,736	$ 9,373,351	$ 10,428,582	$ 9,630,182	$ 9,277,692	$ 8,556,497	$ 7,905,074	$ 8,298,551
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	27.13%	-0.31%	-96.84%	-21.95%	-10.88%	-30.22%	-54.30%	-13.00%	-16.57%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	98.24%	94.70%	90.68%	97.95%	97.15%	97.15%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
District's proportion of the net pension asset/(liability)	0.188217%	0.188302%	0.197373%	0.193628%	0.186197%	0.183725%	0.182369%	0.179922%	0.176529%
District's proportionate share of the net pension asset/(liability)	$ 32,616,156	$ (5,203,281)	$ 5,127,757	$ 3,501,313	$ 1,415,286	$ (1,967,771)	$ 18,942,345	$ 20,042,154	$ 1,162,006
District's covered-employee payroll	$ 32,518,106	$ 31,952,855	$ 31,765,898	$ 31,539,906	$ 29,520,317	$ 28,350,603	$ 27,394,324	$ 26,577,235	$ 26,116,313
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	100.30%	-16.28%	16.14%	11.10%	4.79%	-6.94%	69.15%	75.41%	4.45%
Plan fiduciary net position as a percentage of the total pension liability	113.65%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%	100.70%

* GASB 68 requires that the past 10 years of information be presented. However, until a full 10 year trend is compiled, information is presented for those years for which information is available.

See paragraph on supplementary schedules included in auditor's report.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014
Contractually required contribution	$ 1,491,162	$ 1,467,326	$ 1,404,297	$ 1,390,053	$ 1,379,410	$ 1,309,599	$ 1,346,651	$ 1,627,679	$ 1,346,651
Contributions in relation to the contractually required contribution	1,491,162	1,467,326	1,404,297	1,390,053	1,379,410	1,309,599	1,346,651	1,627,679	1,346,651
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 9,529,628	$ 9,937,736	$ 9,373,351	$ 10,428,582	$ 9,630,182	$ 9,277,692	$ 8,556,497	$ 7,905,074	$ 8,298,551
Contributions as a percentage of its covered-employee payroll	15.65%	14.77%	14.98%	13.33%	14.32%	14.12%	15.74%	20.59%	16.23%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Contractually required contribution	$ 3,186,775	$ 3,251,200	$ 3,498,729	$ 3,090,911	$ 3,458,122	$ 3,759,290	$ 4,802,225	$ 4,318,801	$ 3,061,543
Contributions in relation to the contractually required contribution	3,186,775	3,251,200	3,498,729	3,090,911	3,458,122	3,759,290	4,802,225	4,318,801	3,061,543
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ -	$ 0
Covered Employee Payroll	$ 32,518,106	$ 31,952,855	$ 31,765,898	$ 31,539,906	$ 29,520,317	$ 28,350,603	$ 27,394,324	$ 26,577,235	$ 26,116,313
Contributions as a percentage of its covered-employee payroll	9.80%	10.17%	11.01%	9.80%	11.71%	13.26%	17.53%	16.25%	11.72%

* GASB 68 requires that the past 10 years of information be presented. However, until a full 10 year trend is compiled, information is presented for those years for which information is available.

See paragraph on supplementary schedules included in auditor's report.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	$ 102,250,169
ADDITIONS:	
Encumbrances from Prior Year	875,315
ORIGINAL BUDGET	103,125,484
BUDGET REVISIONS:	
Donations	2,000
Emergency Connectivity Funds	249,688
Retiree Payouts	115,000
FINAL BUDGET	$ 103,492,172

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022–2023 Voter-approved expenditure budget maximum allowed (4% of 2022–2023 budget $105,823,385)		$ 4,232,935
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 5,768,449	
Unassigned Fund Balance	4,232,935	
Total Unrestricted Fund Balance	10,001,384	
Less:		
Appropriated Fund Balance	5,339,333	
Encumbrances Included in Committed and Assigned Fund Balance	429,116	
Total Adjustments	5,768,449	
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 4,232,935
Actual Percentage		4.00%

See paragraph on supplementary schedules included in auditor's report.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2022

			EXPENDITURES TO DATE				METHODS OF FINANCING				
	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	CURRENT YEAR	TOTAL	UNEXPENDED BALANCE	PROCEEDS FROM DEBT	STATE AID	LOCAL SOURCES	TOTAL	FUND BALANCE JUNE 30, 2022
Handicapped Renovations	$ 25,000	$ 9,490	$ 0	$ 9,490	$ 9,490	$ 0	$ 0	$ 0	$ 9,490	$ 9,490	$ 0
Asbestos Project	400,000	400,000	0	0	0	400,000	0	0	0	0	0
Storage Building	27,000	54,000	37,228	16,772	54,000	0	0	0	54,000	54,000	0
Otisville Plumbing	125,000	125,000	105,775	19,225	125,000	0	0	0	125,000	125,000	0
Plumbing/Boiler - Otisville	60,000	60,000	0	60,000	60,000	0	0	0	60,000	60,000	0
Addition to Storage Building/Maintenance Eq.	10,000	10,000	8,954	1,046	10,000	0	0	0	10,000	10,000	0
Upgrade Existing Tennis Courts	30,000	30,000	0	30,000	30,000	0	0	0	30,000	30,000	0
Auditorium and Access Road	916,340	916,340	912,783	3,557	916,340	0	916,340	0	0	916,340	0
High School Sewer Shed Roof	52,844	52,844	33,328	19,516	52,844	0	0	0	52,844	52,844	0
Health & Safety Improvements - H.S.	221,660	221,660	186,757	34,903	221,660	0	0	0	221,660	221,660	0
Bus Garage Reconstruction	54,286	54,286	51,608	2,678	54,286	0	0	0	54,286	54,286	0
Gym Door Partition	33,600	0	33,600	(33,600)	0	0	0	0	0	0	0
Bus Purchase	385,000	385,000	381,940	3,060	385,000	0	0	0	385,000	385,000	0
Elementary - Intermediate School Alterations	1,950,000	1,950,000	1,945,719	4,281	1,950,000	0	1,950,000	0	0	1,950,000	0
New Otisville School	37,625,000	37,625,000	37,623,026	1,974	37,625,000	0	37,625,000	0	0	37,625,000	0
Pole Barn	235,050	235,050	230,263	4,787	235,050	0	0	0	235,050	235,050	0
Condition Survey	90,000	90,000	92,863	(2,863)	90,000	0	0	0	90,000	90,000	0
Condition Survey 2015-2016	0	0	33,858	(33,858)	0	0	0	0	0	0	0
$19.7M Authorization	20,150,000	19,650,000	18,976,052	723,948	19,700,000	(50,000)	19,700,000	0	0	19,700,000	0
2008 $26.2M Authorization	38,422,342	32,240,891	29,949,428	0	29,949,428	2,291,463	23,900,000	1,328,008	2,487,045	27,715,053	(2,234,375)
2017 $36.9M Authorization	23,802,612	1,428,250	17,341,660	1,183,448	18,525,108	(17,096,858)	0	0	2,719,667	2,719,667	(15,805,441)
Smart School Bond	3,117,700	3,284,403	968,253	2,321,851	3,290,104	(5,701)	0	3,284,403	0	3,284,403	(5,701)
Buses - 2015	1,543,397	1,543,397	1,539,519	6,731	1,546,250	(2,853)	0	0	1,546,250	1,546,250	0
Buses - 2018	954,539	954,539	952,971	0	952,971	1,568	0	0	572,722	572,722	(380,249)
Buses - 2022	1,688,823	1,688,823	0	1,687,405	1,687,405	1,418	0	0	337,764	337,764	(1,349,641)
	$ 131,920,193	$ 103,008,973	$ 111,405,585	$ 6,064,351	$ 117,469,936	$ (14,460,963)	$ 84,091,340	$ 4,612,411	$ 8,990,778	$ 97,694,529	$ (19,775,407)

See paragraph on supplementary schedules included in auditor's report.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS, NET		$ 92,268,123
RIGHT TO USE ASSET, NET		255,382
ADDITIONS:		
Deferred Amount on Refunding		1,769,206
		94,037,329
DEDUCTIONS		
Bond Anticipation Note	$ 28,102,875	
Short-term Portion of Bonds Payable	4,972,694	
Long-term Portion of Bonds Payable	31,760,163	
Short-term Portion of Installment Debt	334,119	
Long-term Portion of Installment Debt	719,731	
Short - term Portion of Lease Payable	13,167	
Long - term Portion of Lease Payable	25,229	
Total Related Debt	65,927,978	
Less: Unspent BAN Proceeds	(133)	
Related Debt		(65,927,845)
NET INVESTMENT IN CAPITAL ASSETS		$ 28,109,484

See paragraph on supplementary schedules included in auditor's report.

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

To the President and Members
of the Board of Education of
Minisink Valley Central School District
Slate Hill, New York 10973

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 and each major fund of Minisink Valley Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Minisink Valley Central School District's basic financial statements and have issued our report thereon dated October 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Minisink Valley 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 Minisink Valley Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Minisink Valley 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

MEMBERS: NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS • AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Minisink Valley 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Nugent + Haeussler, P.C.

Montgomery, New York
October 15, 2022

NH

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

To the President and Members
of the Board of Education of
Minisink Valley Central School District
Slate Hill, New York 10973

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Minisink Valley Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Minisink Valley Central School District's major federal programs for the year ended June 30, 2022. Minisink Valley 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, Minisink Valley Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Minisink Valley 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 Minisink Valley 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 Minisink Valley Central School District's federal programs.

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

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

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

Nugent + Haeussler, P.C.

Montgomery, New York
October 15, 2022

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING	PASS-THROUGH ENTITY IDENTIFYING NUMBER	SUBRECIPIENT AWARDS	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed-through NYS Education Department:				
Child Nutrition Cluster:				
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A		$ 101,303
Cash Assistance				
National School Breakfast Program	10.553	N/A		245,268
National School Lunch Program	10.555	N/A		1,526,323
Cash Assistance Subtotal				1,771,591
Total Child Nutrition Cluster				1,872,894
Pandemic EBT Administrative Cost Grant	10.649	N/A		2,404
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER				1,875,298
U.S. DEPARTMENT OF EDUCATION				
Passed-through NYS Education Department:				
Special Education Cluster (IDEA):				
IDEA - Part B, Section 611	84.027	0032-22-0686	$ 83,097	824,200
IDEA - Part B, Section 619	84.173	0033-22-0686	12,682	27,590
Total Special Education Cluster			$ 95,779	851,790
Title I Grant to Local Education Agencies	84.010	0021-22-2260		657,550
Title II, Improving Teacher Quality State Grants	84.367	0147-21-2260		126,547
Title IV - Student Support & Academic Achevevment (SSAE)	84.424	0204-22-2260		27,717
				811,814
Education Stabilization Fund				
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) - GEER II	84.425C	5896-21-2260		62,275
Coronavirus Response and Releif Supplemental Appropriation Act, 2021 (CRRSA) - ESSER II	84.425D	5891-21-2260		185,244
American Rescue Plan -(ARP) - ESSER 3	84.425U	5880-21-2260		1,460,172
American Rescue Plan - (ARP) - ESSER - SLR Summer Enrichment	84.425U	5882-21-2260		186,420
American Rescue Plan - (ARP) ESSER - SLR Learning Loss	84.425U	5884-21-2260		352,644
Total Education Stabilization Fund				2,246,755
TOTAL U.S. DEPARTMENT OF EDUCATION				3,910,359
FEDERAL COMMUNICATIONS COMMISSION				
Emergency Connectivity Fund	32.009	N/A		249,688
TOTAL FEDERAL COMMUNICATIONS COMMISSION				249,688
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 6,035,345

The accompanying notes are an integral part of the schedule.

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net assets, or cash flows of the District.

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.

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

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

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

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $101,303 of commodities under the Commodity Supplemental Food Program (Federal Assistance Listing Number 10.555).

NOTE 3. OTHER DISCLOSURES.

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

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

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
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 Opinion Issued: Unmodified

Internal Control over Financial Reporting:				
Material weakness(es) identified?	____	Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses	____	Yes	X	None Reported
Noncompliance material to financial statements noted?	____	Yes	X	No

FEDERAL AWARDS

Internal Control over Major Programs:				
Material weakness(es) identified?	____	Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses	____	Yes	X	None Reported

Type of Auditor's Opinion Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR-20.516(a) ?	____	Yes	X	No

IDENTIFICATION OF MAJOR PROGRAMS:

ASSISTANCE LISTING NUMBER	NAME OF FEDERAL PROGRAM OR CLUSTER
84.027, 84.173	Special Education Cluster
84.425	Education Stabilization Funds

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000.00

Auditee qualified as low-risk auditee?	X	Yes	____	No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements as required to be reported in accordance with the Uniform Guidance.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control
There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-20.516(a).

B. Compliance Findings
There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-20.516(a).

NH

Nugent & Haeussler, P.C.
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Minisink Valley Central School District
Slate Hill, New York

Opinion

We have audited the accompanying financial statements of the extraclassroom activities funds of Minisink Valley Central School District, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2022 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the extraclassroom activities funds of Minisink Valley Central School District as of June 30, 2022, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Minisink Valley 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 opinion.

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting 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.

MEMBERS: NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS • AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Minisink Valley 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 Minisink Valley 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.

Nugent + Haeussler, P.C.

Montgomery, New York
October 15, 2022

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2022

ASSETS

Cash in Checking		$ 187,377

LIABILITIES AND FUND BALANCE

Sales Tax Payable		$ 1,493
Fund Balance, Beginning of Year	$ 178,080	
Excess of Receipts over Disbursements	7,804	
Fund Balance, End of Year		185,884
TOTAL LIABILITIES AND FUND BALANCE		$ 187,377

See notes to financial statement.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

HIGH SCHOOL	CASH BALANCE JUNE 30, 2021	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2022
Senior Class	$ 5,463	$ 34,182	$ 37,804	$ 1,841
Junior Class	2,389	24,872	25,151	2,110
Sophomore Class	1,175	0	1,120	55
Freshman Class	54	0	54	0
Girl's Basketball	2,361	2,047	1,490	2,918
Girl's Softball	8,694	11,679	8,724	11,649
Choir Club	4,960	1,707	3,789	2,878
Wrestling Club	1,933	6,175	4,723	3,385
Boy's Basketball	5,000	2,489	3,060	4,429
Drama Club	8,937	36,953	27,591	18,299
Tech Club	2,661	1,334	1,352	2,643
Study Buddies	31	0	0	31
Football Club	2,805	0	1,556	1,249
National Honor Society	2,003	2,126	2,594	1,535
SADD Club	547	0	0	547
Boy's Soccer Club	1,178	0	0	1,178
Student Council - HS	5,754	314	278	5,790
Track Club	0	4,961	4,429	532
Varsity Club	1,375	0	0	1,375
Girl's Volleyball	2,095	0	0	2,095
Yearbook Club	29,581	11,350	7,572	33,359
Art-Museum Club	1,349	1,420	1,560	1,209
School Store	9,834	3,018	6,349	6,503
FBLA Club	6,932	11,274	15,792	2,414
JROTC	6,276	4,559	5,468	5,367
CAP	10,360	1,033	2,159	9,234
Girl's Swim Club	2,010	4,139	2,156	3,993
Boy's Swim Club	82	400	260	222
Boy's & Girl's Tennis Club	152	0	0	152
Cheerleading Club	6,527	33,732	30,726	9,533
Boy's Baseball Club	1,774	13,755	13,127	2,402
Band Club HS	7,003	4,240	2,545	8,698
	$ 141,295	$ 217,759	$ 211,429	$ 147,625

See notes to financial statement.

MINISINK VALLEY CENTRAL SCHOOL DISTRICT
SLATE HILL, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

MIDDLE & INTERMEDIATE SCHOOLS	CASH BALANCE JUNE 30, 2021	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2022
Band Club	$ 4,877	$ 16,506	$ 14,766	$ 6,617
SADD Club	0	0	0	0
Chorus	1,981	1,846	1,053	2,774
Student Government - MS	5,800	21,292	19,644	7,448
Tech Crew	137	0	0	137
Yearbook Club	6,056	1,199	2,396	4,859
Math Counts	186	0	0	186
Drama Club	17,019	16,482	18,609	14,892
Technology Club	88	1,339	667	760
Pet Club	11	1,147	1,029	129
Builders Club	202	719	856	65
Ukulele Club	76	0	0	76
Chess Club	316	0	0	316
Robotics Club	36	0	36	0
	$ 36,785	$ 60,530	$ 59,056	$ 38,259
Total Extraclassroom Activity Funds	$ 178,080	$ 278,289	$ 270,485	$ 185,884

See notes to financial statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of Minisink Valley Central School District. We have included the Extraclassroom Activity Fund balances within the Miscellaneous Special Revenue Fund of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.

(b) The books and records of Minisink Valley Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

(c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.