PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE | **BOND ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

The Notes will be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

$4,560,000

DUNDEE CENTRAL SCHOOL DISTRICT

YATES AND SCHUYLER COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$4,560,000 Bond Anticipation Notes, 2023 (Renewals)

(referred to herein as the "Notes")

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

The Notes are general obligations of the Dundee Central School District, Yates and Schuyler Counties, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

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

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon by the purchaser(s), on or about 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 8, 2023 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June 1, 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.

DUNDEE CENTRAL SCHOOL DISTRICT
YATES AND SCHUYLER COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

ROBERT NEU
President

BRITTANY GIBSON
Vice President

BRAD COLE
JOHN FREDERICK
DOUG HAMMOND
CASEY BUSCH

* * * * * * * * *

CHRISTOPHER BARNARD
Superintendent of Schools

MELISSA LAWSON
School Business Administrator

JILLIAN DENMARK
District Clerk

MARK SOCOLA
School District Treasurer

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

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

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PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

of the

DUNDEE CENTRAL SCHOOL DISTRICT
YATES AND SCHUYLER COUNTIES, NEW YORK

Relating To

$4,560,000 Bond Anticipation Notes, 2023 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Dundee Central School District, Yates and Schuyler Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $4,560,000 principal amount of Bond Anticipation Notes, 2023 (Renewals) (referred to herein as the “Notes”).

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

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

THE NOTES

Description of the Notes

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

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

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on June 14, 2018 authorizing a capital improvement project consisting of renovations and improvements to the existing bus maintenance facility together with associated demolition and circulation reconstruction, bus parking, driver and staff parking, drainage improvements and site lighting, and make renovations and improvements to the interior of the main school facility, including security and access control upgrades, and a new roof on the 1938 portion of the building at a cost not to exceed $7,708,588, and to expend $1,000,000 from the District’s Capital Reserve Fund, and the issuance and sale of serial bonds or notes in the amount not to exceed $6,708,588.

The proceeds of the Notes together with $550,000 available funds of the District, will partially redeem and renew $5,110,000 bond anticipation notes that were issued June 23, 2022 and are maturing June 23, 2023 for the aforementioned purposes.

NATURE OF THE OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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. Principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

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

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

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

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

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

Source: District officials.

District Population

The District has an estimated 2021 population of 6,370. (Source: U.S. Census Bureau, 2017-2021 American Community Survey data.)

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 is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
Towns of:						
Barrington	$ 11,605	$ 15,416	$ 36,942	$ 28,854	$ 38,864	$ 86,563
Milo	10,649	16,819	27,854	25,613	38,547	64,115
Starkey	10,193	14,861	29,050	27,607	34,453	62,277
Reading	11,806	17,814	34,401	31,853	43,681	85,179
Tyrone	9,255	14,842	27,558	25,658	34,444	76,875
Counties of:						
Yates	11,065	16,781	28,832	29,034	40,681	71,410
Schuyler	10,825	17,039	31,171	29,512	41,441	75,801
State of:						
New York	16,501	23,389	43,208	39,741	51,691	92,731

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

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

Larger Employers

Name of Employer	Nature of Business
Dundee Central School District	Public Education
Glenora Wine Cellars	Winery
Hermann Wiemer Winery	Winery
Architectural Concrete Plus	Construction
Lifetime Care	Healthcare Services

Source: District officials.

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

Annual Average

	2016	2017	2018	2019	2020	2021	2022
Yates County	4.4%	4.4%	3.8%	3.7%	6.3%	3.8%	2.9%
Schuyler County	6.0	5.8	5.1	4.7	8.6	4.9	3.7
New York State	4.9	4.7	4.1	4.0	9.9	7.0	4.3

2023 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Yates County	4.1%	3.7%	3.2%	2.2%	N/A	N/A
Schuyler County	5.5	5.1	4.5	3.2	N/A	N/A
New York State	4.6	4.5	4.0	3.7	N/A	N/A

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

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

Form of School Government

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

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

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Investment Policy

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

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

Budgetary Procedures and Recent Budget Votes

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

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

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

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

Recent Budget Vote Results

The budget for the 2022-23 fiscal year was adopted by qualified voters on May 17, 2022 by a vote of 143 to 48. The District’s adopted budget for the 2022-23 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.0%, which was equal to the District tax levy limit of 2.0%.

The budget for the 2023-24 fiscal year was adopted by qualified voters on May 16, 2023. The District’s adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.85%, which was below to the District tax levy limit of 3.01%.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2023-24 fiscal year, approximately 63.81% 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.

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.

The District has been allocated $3,572,212 under the American Rescue Plan (ARP) and $1,564,803 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The District has received $485,051 ARP funds and $373,714 CRRSA funds as of June 30, 2022.

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 81.7% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

School district fiscal year (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 significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget, which was approximately $27.9 billion. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding though the Coronavirus Aid, Relief, and Economic Security Act (CARES). 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. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, with the State releasing the withheld funds on or about June 30, 2021.

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

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 16,039,807	$ 10,375,950	64.69%
2018-2019	16,446,878	10,451,201	63.55
2019-2020	16,759,520	10,518,716	62.76
2020-2021	17,380,840	10,515,177	60.50
2021-2022	17,973,745	11,481,007	63.88
2022-2023 (Budgeted)	17,816,534	11,595,414	57.30
2023-2024 (Budgeted)	18,467,455	11,784,842	63.81

[1] General fund only. Does not include inter-fund transfers.

Source: Audited financial statements for the 2017-18 through 2021-22 fiscal years, the adopted budget for the 2022-23 and 2023-24 fiscal years. This table is not audited.

District Facilities

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

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-19	647	2023-24	630
2019-20	656	2024-25	625
2020-21	600	2025-26	625
2021-22	636	2026-27	625
2022-23	641	2027-28	625

Source: District officials.

Employees

The number of persons employed by the District is approximately 177, the collective bargaining agents, if any, which represent certain employees and the dates of expirations of the various collective bargaining agreements are presented in the table below.

Number of Employees	Bargaining Unit	Contract Expiration Date
98	Dundee Teachers Association	June 30, 2025
74	Non-Teaching Staff	June 30, 2026
2	Dundee Administrators Association	June 30, 2026

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, budgeted figures for the 2022-23 and 2023-24 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	$ 313,970	$ 499,841
2018-2019	275,980	572,778
2019-2020	279,715	548,764
2020-2021	292,660	596,810
2021-2022	249,041	529,350
2022-2023 (Budgeted)	346,000	652,000
2023-2024 (Budgeted)	285,000	601,390

Source: District officials.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2019 to 2023) is shown below:

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

* Estimated. 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 the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts 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. As of June 30, 2019, the District established a reserve fund for the purpose of funding the cost of TRS contributions.

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

Other Post-Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires school districts 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, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position.

The District contracted with an actuarial firm to calculate its first actuarial valuation under GASB 75 for the fiscal years ending June 30, 2021 and 2022. The following outlines the changes to the Total OPEB Liability during the 2021 and 2022 fiscal years, by source.

Balance beginning at:	July 1, 2020	July 1, 2021
	$ 6,410,781	$ 6,730,293
Changes for the year:		
Service cost	438,928	398,000
Interest on total OPEB liability	148,162	151,000
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	(597,000)
Changes in Assumptions or other inputs	25,149	(297,000)
Benefit payments	(292,727)	(328,000)
Net Changes	$ 319,512	$ (673,000)
Balance ending at:	**June 30, 2021**	**June 30, 2022**
	$ 6,730,293	**$ 6,057,293**

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

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

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

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

Other Information

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

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

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

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

Except to the extent shown in "Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent certified public accountants. The last audited report covers the period ending June 30, 2022 and is attached hereto as "APPENDIX – E". Certain financial information of the District may also be found attached hereto as Appendices to the Official Statement.

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

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

New York State Comptroller Reports of Examination

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

The State Comptroller's office released its most recent audit report of the District on August 3, 2018. The purpose of the audit was to determine whether the Board and District Officials ensured District information technology (IT) assets and computerized data were safeguarded.

Key Findings:

- The Board and District officials have not adopted adequate IT security policies and procedures.
- District officials did not provide IT security awareness training for District employees.

In addition, sensitive IT control weaknesses were communicated confidentially to District officials.

Key Recommendations:

- The Board and District officials should adopt comprehensive IT security policies, procedures and plans to safeguard computerized assets and data.
- Provide periodic IT security awareness training to personnel who use IT resources.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the 2020 through 2022 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	10.0
2021	No Designation	20.0
2020	No Designation	10.0

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Barrington	$ 86,603,057	$ 88,517,325	$ 89,222,967	$ 103,554,491	$ 104,415,782
Milo	50,705,286	59,147,911	58,271,568	58,431,300	58,983,372
Starkey	236,202,853	255,252,876	259,090,087	302,789,754	309,412,048
Tyrone	105,179,771	105,497,074	105,699,492	109,594,897	130,904,091
Reading	14,279,252	14,238,281	14,430,478	14,592,372	14,730,831
Total Assessed Values	$ 492,970,219	$ 522,653,467	$ 526,714,592	$ 588,962,814	$ 618,446,124
State Equalization Rates					
Towns of:					
Barrington	100.00%	98.00%	94.00%	100.00%	94.00%
Milo	90.00%	100.00%	100.00%	96.00%	86.00%
Starkey	100.00%	98.00%	97.00%	100.00%	90.00%
Tyrone	100.00%	100.00%	100.00%	100.00%	100.00%
Reading	100.00%	100.00%	100.00%	100.00%	85.00%
Total Taxable Full Valuation	$ 498,604,140	$ 529,669,185	$ 540,422,770	$ 591,397,452	$ 671,691,580

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Barrington	$ 10.60	$ 10.58	$ 10.98	$ 9.71	$ 9.28
Milo	11.78	10.37	10.32	10.11	10.00
Starkey	10.60	10.58	10.64	9.71	9.69
Tyrone	10.60	10.37	10.32	9.71	8.72
Reading	10.60	10.37	10.32	9.71	10.24

Tax Collection Procedure

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

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 5,288,000	$ 5,494,000	$ 5,603,880	$ 5,743,977	$ 5,856,697
Amount Uncollected (10/28/22)	306,627	289,875	321,236	302,133	480,328
% Uncollected	5.80%	5.28%	5.73%	5.26%	8.20%

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

Real Property Tax Revenues

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

Fiscal Year	Total Revenues (1)	Total Real Property Taxes & Other Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes & Other Tax Items
2017-2018	$ 16,039,807	$ 5,357,427	33.40%
2018-2019	16,446,878	5,477,391	33.30
2019-2020	16,759,520	5,688,237	33.94
2020-2021	17,380,840	5,835,364	33.57
2021-2022	17,973,745	5,977,972	33.26
2022-2023 (Budgeted)	17,816,534	6,221,120	30.74
2023-2024 (Budgeted)	18,467,455	6,236,613	33.77

(1) General fund only. Does not include inter-fund transfers.

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

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

Name	Type	Taxable Full Valuation
Columbia Gas & Pipeline	Utility	$ 18,627,288
New York State Electric & Gas	Utility	10,473,649
Glenora Wine Cellars	Private	2,600,000
Eden Glen	Private	2,432,300
Frost Wines LLC	Private	2,401,700
Pennsylvania Lines LLC	Railroad	1,882,666
Webster Jared S	Private	1,678,200
Morse David L	Private	1,678,000
Enterprises, LLC Backyard Outfitters	Private	1,601,300
Zimmerman Alvin	Private	1,554,600

The ten larger taxpayers listed above have a total estimated full valuation of $44,929,703, which represents approximately 6.69% of the tax base of the District for the 2022-23 fiscal year.

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

Source: District officials.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Taxable-88%, Special Franchise-1%, Utilities and Railroads- 4% and Wholly Exempt-7%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $1,937 including County, Town, School District and Fire District taxes.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School Districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

The 2022-23 Enacted State Budget provided $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 were eligible for the property tax rebate where the benefit was calculated as a percentage of the homeowners' existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the 2022-23 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Barrington	$ 76,520	$ 28,200	4/6/2023
Milo	81,400	30,000	4/6/2023
Starkey	73,260	27,000	4/6/2023
Reading	69,190	26,700	4/6/2023
Tyrone	81,400	32,340	4/6/2023

$473,023 of the District's $5,856,657 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 by January 2023.

Approximately $458,000 of the District's $6,023,613 school tax levy for 2023-24 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 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, recent legislation has made it 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 includes a challenge to the supermajority requirements regarding school district property tax increases.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

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

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

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

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

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2018	2019	2020	2021	2022
Bonds	$ 10,065,000	$ 8,835,000	$ 7,575,000	$ 6,610,000	$ 5,615,000
Bond Anticipation Notes	0	3,279,294	6,498,588	5,886,000	5,110,000
Tax/Revenue Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 10,065,000	$ 12,114,294	$ 14,073,588	$ 12,496,000	$10,725,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 1, 2023.

Type of Indebtedness	Maturity		Amount
Bonds	2023-2031		$ 5,615,000
Bond Anticipation Notes			
Capital Project	June 23, 2023		5,110,000 [1]
		Total Indebtedness	$ 10,725,000

[1] To be partially redeemed and renewed at maturity with the proceeds of the Notes and $550,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of June 1, 2023:

Full Valuation of Taxable Real Property			$ 671,691,580
Debt Limit 10% thereof			67,169,158
Inclusions:			
Bonds	$ 5,615,000		
Bond Anticipation Notes	550,000		
Principal of this Issue	4,560,000		
Total Inclusions		$ 10,725,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 10,725,000
Net Debt-Contracting Margin			$ 56,444,158
The percent of debt contracting power exhausted is			15.97%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2023-24 Building Aid Ratios, the School District anticipates State building aid of 81.7% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Cash Flow Borrowings

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

Capital Project Plans

On June 6, 2018, the voters of the District approved a capital improvement project consisting of renovations and improvements to the existing bus maintenance facility together with associated demolition and circulation reconstruction, bus parking, driver and staff parking, drainage improvements and site lighting, and make renovations and improvements to the interior of the main school facility, including security and access control upgrades, and a new roof on the 1938 portion of the building at a cost not to exceed $7,708,588, and to expend $1,000,000 from the District's Capital Reserve Fund, and the issuance and sale of serial bonds or notes in the amount not to exceed $6,708,588. To date, the District has issued $6,708,588 bond anticipation notes pursuant to this uthorization, which matured on June 25, 2021. The proceeds of the Notes together with $550,000 available funds of the District will partially redeem and renew $5,110,000 bond anticipation notes that were issued June 23, 2022 and are maturing June 23, 2023 for the aforementioned purposes. Pending market conditions and project completion, the District intends to permanently finance this project with serial bonds in June 2024.

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

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:						
Yates	12/31/2021	$ 7,053,550	$ -	$ 7,053,550	15.25%	$ 1,075,666
Schuyler	12/31/2021	1,861,077	36,077	1,825,000	7.62%	139,065
Town of:						
Barrington	12/31/2021	-	-	-	31.16%	-
Milo	12/31/2021	3,682,000	942,000	2,740,000	9.98%	273,452
Starkey	12/31/2021	-	-	-	100.00%	-
Reading	12/31/2021	-	-	-	6.68%	-
Tyrone	12/31/2021	-	-	-	51.45%	-
Village of:						
Dundee	5/31/2022	1,929,500	1,229,500	700,000	100.00%	700,000
					Total:	$ 2,188,183

Notes:

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

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

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

Debt Ratios

The following table sets forth certain ratios relating to the District's Net Indebtedness as of June 1, 2023:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 10,725,000	$ 1,683.67	1.60%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	12,913,183	2,027.19	1.92

[a] The 2021 estimated population of the District is 6,370. (See "THE SCHOOL DISTRICT – District Population" herein.)

[b] The District's full value of taxable real estate for the 2022-23 tax roll is $671,691,580. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

[c] See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.

[d] The District's applicable share of Net Overlapping Indebtedness is estimated to be $2,188,183. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

COVID-19. An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19 initially. Such state of emergency has since lapsed in the State. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See also "THE SCHOOL DISTRICT - State Aid" 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 Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.   A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D".

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

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

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

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

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

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

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

Moody's Investors Service ("Moody's") has assigned its underlying ratings of "A1" with no outlook and State Building Aid Enhanced rating of "Aa2" to the District's outstanding long term general obligation bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Melissa Lawson, School Business Administrator, Dundee Central School District, 55 Water Street, Dundee, New York 14837, Phone: (607) 243-5533 x7703, Fax (607) 243-7912, Email: mlawson@dundeecs.org.

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

DUNDEE CENTRAL SCHOOL DISTRICT

Dated: June 1, 2023

ROBERT NEU
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					
Cash and Cash Equivalents	$ 1,752,245	$ 583,848	$ 571,394	$ 13,370,794	$ 5,977,854
Cash and Cash Equivalents - Restricted	10,879,235	12,301,937	14,393,013	-	-
Investments	-	-	-	2,055,126	12,065,045
Accounts Receivables	49,578	24,661	13,869	67,561	119,552
Due from Other Funds	1,783,135	1,503,479	1,324,125	1,271,566	1,119,073
State and Federal Aid Receivable	334,235	368,527	269,777	1,129,540	515,865
Prepaid Expenditures	-	192,229	-	-	210,538
TOTAL ASSETS	$ 14,798,428	$ 14,974,681	$ 16,572,178	$ 17,894,587	$ 20,007,927
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 29,675	$ 131,203	$ 37,899	$ 68,998	$ 47,406
Accrued Liabilities	40,784	108,745	69,368	184,819	164,936
Due to Other Funds	71,641	76,508	329,110	350,577	461,454
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	539,208	609,224	550,350	608,589	599,011
Due to Employees' Retirement System	68,392	65,239	68,628	79,819	12,401
Unearned Revenues	-	-	-	-	-
Compensated absences	194,147	254,334	-	-	-
TOTAL LIABILITIES	$ 943,847	$ 1,245,253	$ 1,055,355	$ 1,292,802	$ 1,285,208
FUND EQUITY					
Nonspendable:	$ -	$ 192,229	$ -	$ -	$ 210,538
Restricted:	10,879,235	12,262,121	14,393,013	15,501,397	17,389,191
Assigned:	347,109	342,816	395,705	351,586	363,526
Unassigned:	2,628,237	932,262	728,108	748,802	759,464
TOTAL FUND EQUITY	13,854,581	13,729,428	15,516,826	16,601,785	18,722,719
TOTAL LIABILITIES and FUND EQUITY	$ 14,798,428	$ 14,974,681	$ 16,572,181	$ 17,894,587	$ 20,007,927

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	$ 4,539,325	$ 4,692,712	$ 4,924,956	$ 5,072,611	$ 5,234,668
Other Tax Items	818,102	784,679	763,281	762,753	743,304
Charges for Services	71,138	50,244	90,085	227,478	138,789
Use of Money & Property	25,846	132,182	137,524	31,174	32,574
Sale of Property and Compensation for Loss	20,821	33,217	3,649	17,382	75,087
Miscellaneous	178,792	143,867	243,939	185,872	209,923
Interfund Revenues	-	-	-	2,822	
Revenues from State Sources	10,375,950	10,451,201	10,518,716	10,515,177	11,539,400
Revenues from Federal Sources	2,794	107,974	77,370	565,571	-
Total Revenues	$ 16,032,768	$ 16,396,076	$ 16,759,520	$ 17,380,840	$ 17,973,745
Other Sources:					
Interfund Transfers	7,039	50,802	-	-	31,695
Total Revenues and Other Sources	16,039,807	16,446,878	16,759,520	17,380,840	18,005,440
EXPENDITURES					
General Support	$ 1,589,410	$ 1,778,704	$ 1,630,487	$ 1,762,817	$ 1,932,866
Instruction	7,247,609	7,583,637	7,298,462	7,854,804	7,300,629
Pupil Transportation	1,043,930	1,016,732	1,007,027	1,025,949	966,894
Community Services	5,728	7,309	21,882	22,184	24,683
Employee Benefits	2,971,778	3,623,619	3,582,070	3,706,048	3,552,829
Debt Service	1,543,900	1,537,326	1,602,104	1,917,492	2,081,338
Total Expenditures	$ 14,402,355	$ 15,547,327	$ 15,142,032	$ 16,289,294	$ 15,859,239
Other Uses:					
Interfund Transfers	70,185	1,024,704	84,424	6,587	25,267
Total Expenditures and Other Uses	14,472,540	16,572,031	15,226,456	16,295,881	15,884,506
Excess (Deficit) Revenues Over Expenditures	1,567,267	(125,153)	1,533,064	1,084,959	2,120,934
FUND BALANCE					
Fund Balance - Beginning of Year	12,278,648	13,854,581	13,729,428	15,516,826	16,601,785
Prior Period Adjustments (net)	8,665	-	254,334	-	-
Fund Balance - End of Year	$ 13,854,580	$ 13,729,428	$ 15,516,826	$ 16,601,785	$ 18,722,719

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2022			2023	2024
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 5,743,977	$ 5,743,977	$ 5,234,668	$ 5,856,697	$ 6,023,613
Other Tax Items	226,500	226,500	743,304	224,600	213,000
Charges for Services	90,000	90,000	138,789	3,000	6,000
Use of Money & Property	75,000	75,000	32,574	32,500	285,000
Sale of Property and Compensation for Loss	5,000	5,000	75,087	5,000	5,000
Miscellaneous	93,000	93,000	209,923	99,323	90,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	12,318,762	12,318,762	11,481,007	11,545,414	11,784,842
Revenues from Federal Sources	20,000	20,000	58,393	50,000	60,000
Total Revenues	$ 18,572,239	$ 18,572,239	$ 17,973,745	$ 17,816,534	$ 18,467,455
Other Sources:					
Interfund Transfers	-	-	31,695	-	-
Total Revenues and Other Sources	18,572,239	18,572,239	18,005,440	17,816,534	18,467,455
EXPENDITURES					
General Support	$ 2,073,351	$ 2,087,907	$ 1,932,866	$ 2,212,175	$ 2,381,119
Instruction	9,914,341	10,036,917	7,300,629	9,720,898	10,083,381
Pupil Transportation	1,050,434	1,128,665	966,894	1,135,759	1,382,335
Community Services	27,300	27,300	24,683	27,300	44,400
Employee Benefits	4,795,845	4,681,957	3,552,829	5,067,039	5,186,313
Debt Service	2,072,965	2,074,675	2,081,338	2,072,965	2,072,965
Total Expenditures	$ 19,934,236	$ 20,037,421	$ 15,859,239	$ 20,236,136	$ 21,150,513
Other Uses:					
Interfund Transfers	26,866	25,267	25,267	-	27,300
Total Expenditures and Other Uses	19,961,102	20,062,688	15,884,506	20,236,136	21,177,813
Excess (Deficit) Revenues Over Expenditures	(1,388,863)	(1,490,449)	2,120,934	(2,419,602)	(2,710,358)
FUND BALANCE					
Fund Balance - Beginning of Year	1,388,863	1,490,449	16,601,785	2,419,602	2,710,358
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 18,722,719	$ -	$ -

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	$ 1,025,000	$ 183,925	$ 1,208,925
2024	1,055,000	153,175	1,208,175
2025	1,090,000	121,425	1,211,425
2026	1,010,000	88,550	1,098,550
2027	590,000	56,050	646,050
2028	305,000	33,950	338,950
2029	265,000	21,400	286,400
2030	220,000	10,950	230,950
2031	55,000	2,750	57,750
TOTALS	$ 5,615,000	$ 672,175	$ 6,287,175

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Capital Improvement Project			2016 DASNY Bond		
	Principal	Interest	Total	Principal	Interest	Total
2023	$ 820,000	$ 109,925	$ 929,925	$ 205,000	$ 74,000	$ 279,000
2024	840,000	89,425	929,425	215,000	63,750	278,750
2025	865,000	68,425	933,425	225,000	53,000	278,000
2026	775,000	46,800	821,800	235,000	41,750	276,750
2027	370,000	23,550	393,550	220,000	32,500	252,500
2028	135,000	12,450	147,450	170,000	21,500	191,500
2029	140,000	8,400	148,400	125,000	13,000	138,000
2030	140,000	4,200	144,200	80,000	6,750	86,750
2031	-	-	-	55,000	2,750	57,750
TOTALS	$ 4,085,000	$ 363,175	$ 4,448,175	$ 1,530,000	$ 309,000	$ 1,839,000

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

With respect to event (d) the 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.

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

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

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

The 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 District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Note (including holders of beneficial interests in the Note). The right of holders of the Note to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the 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 Note nor entitle any holder of the Note to recover monetary damages.

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

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

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FORM OF BOND COUNSEL OPINION

June 22, 2023

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

Re: Dundee Central School District, Yates and Schuyler Counties, New York
$4,560,000 Bond Anticipation Notes, 2023 (Renewals)

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $4,560,000 Bond Anticipation Notes, 2023 (Renewals) (referred to herein as the "Notes"), of the Dundee Central School District, Yates and Schuyler Counties, State of New York (the "District"). The Notes are dated June 22, 2023 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District in respect of the Notes and a Certificate of Determination dated on or before June 22, 2023 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

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

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

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

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

Very truly yours,

Trespasz & Marquardt, LLP

DUNDEE CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

For the Fiscal Year Ending 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.

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

DUNDEE CENTRAL SCHOOL DISTRICT

Financial Statements As of and For the
Year Ended June 30, 2022
Together With Independent
Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

DUNDEE CENTRAL SCHOOL DISTRICT

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DUNDEE CENTRAL SCHOOL DISTRICT

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 13, 2022

To the Board of Education of the
Dundee Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dundee Central School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the 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 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.

Change in Accounting Principle

As described in Note 16 to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases.* Our opinions are not modified with respect to this matter.

Correction of Error

As described in Note 16 to the financial statements, in 2022, the District corrected an error related to prior year net investment in capital assets. Our opinions are not modified with respect to this matter.

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Responsibilities of Management For the Financial Statements

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

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

Auditor's Responsibilities For the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining balance sheet - nonmajor governmental funds, combining statement of revenue, expenditures and change in fund balance - nonmajor governmental funds, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - nonmajor governmental funds, combining statement of revenue, expenditures and change in fund balance - nonmajor governmental funds and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated October 13, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

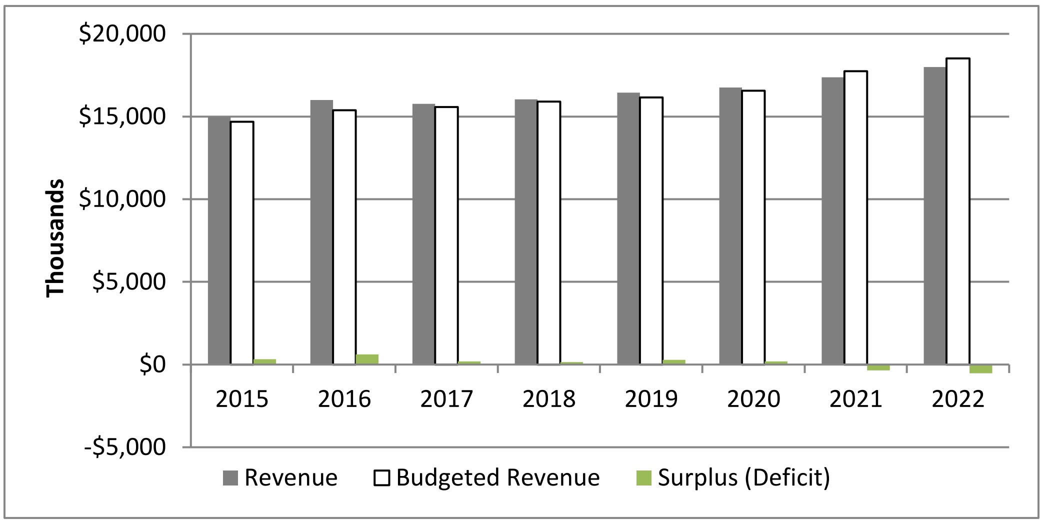
DUNDEE CENTRAL SCHOOL DISTRICT, DUNDEE NY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2022

As management of the Dundee Central School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

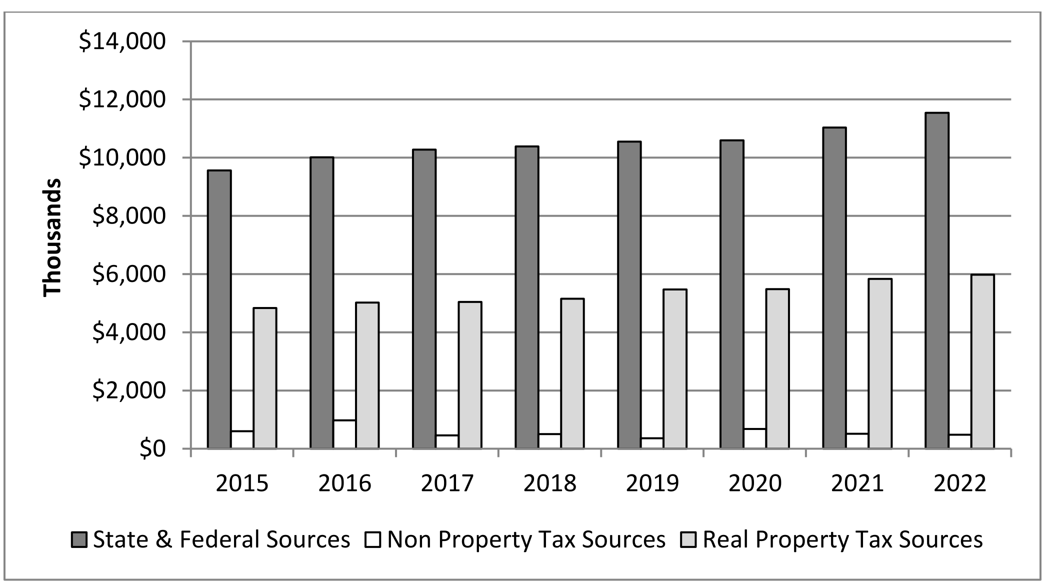
Resource Sources

- From 2015 to 2020, total general fund revenue has consistently exceeded planned (budgeted) revenues. The District estimated its revenues in a less conservative manner in 2021 and 2022.



Actual vs. Budgeted Revenue

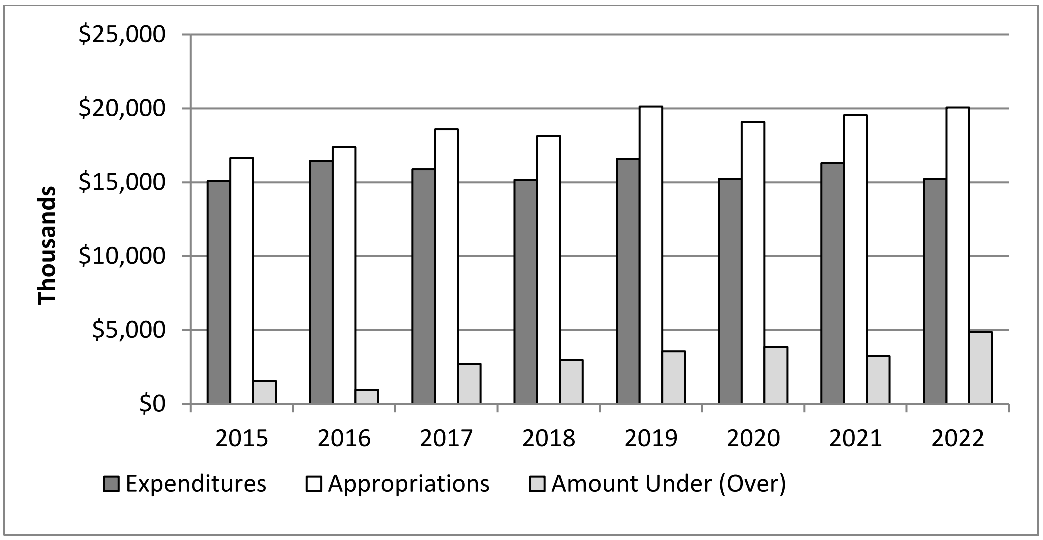
- From 2015-2022 general fund revenue increased 20.0%, primarily due to increases in state and federal aid and real property taxes. Non property taxes include charges for services, investment earnings, refunds, compensation for losses and minor sales.



Revenue Sources

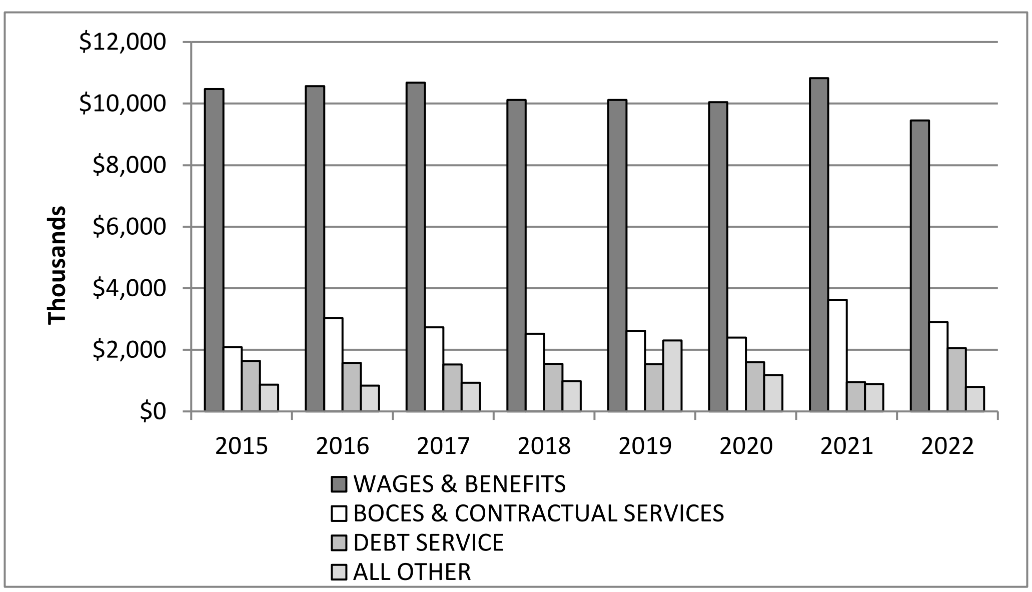
Resource Uses

- From 2015-2022 general fund expenditures increased less than 1%, despite contractual cost increases, primarily due to the significant federal grant amounts provided during the 2020-2021 through 2023-2024 fiscal years from Coronavirus Response Relief Supplemental Act (CRRSA) and American Rescue Plan Act (ARP) as well as Every Student Succeeds Act (ESSA). These grant funds have supplanted certain general fund expenditures and have created gaps in budgeted and actual general fund expenditures.



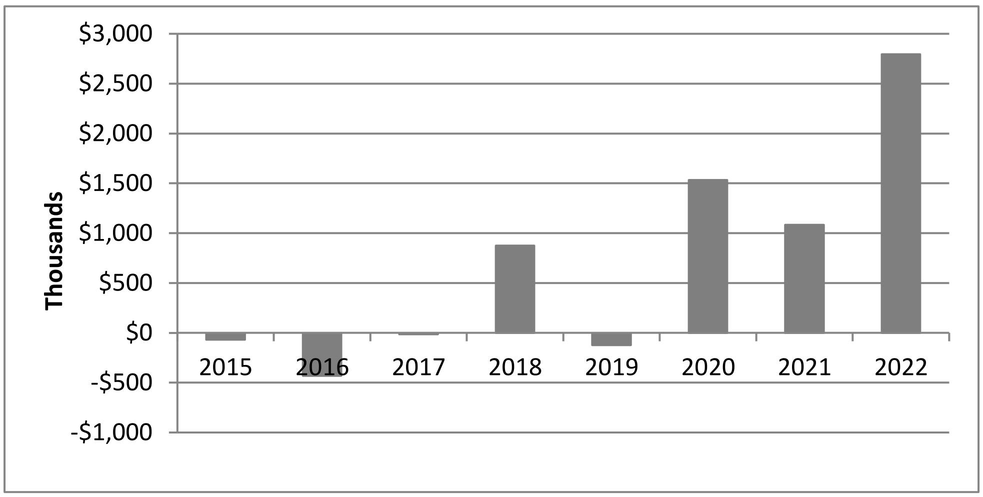
Actual vs. Budgeted Expenditures

- Wages and benefits in the general fund have decreased since 2015 by 9.7%, due to grant funding. Wages and benefits comprise over 62% of the school district's total expenditures. BOCES services and contractual costs have increased since 2015 by 38.4% primarily due to addition of services and service cost increases. Debt service costs have increased by 25.2% because of debt service requirements changing related to the District's capital improvement projects. All other costs have decreased by 7.6% since 2015.



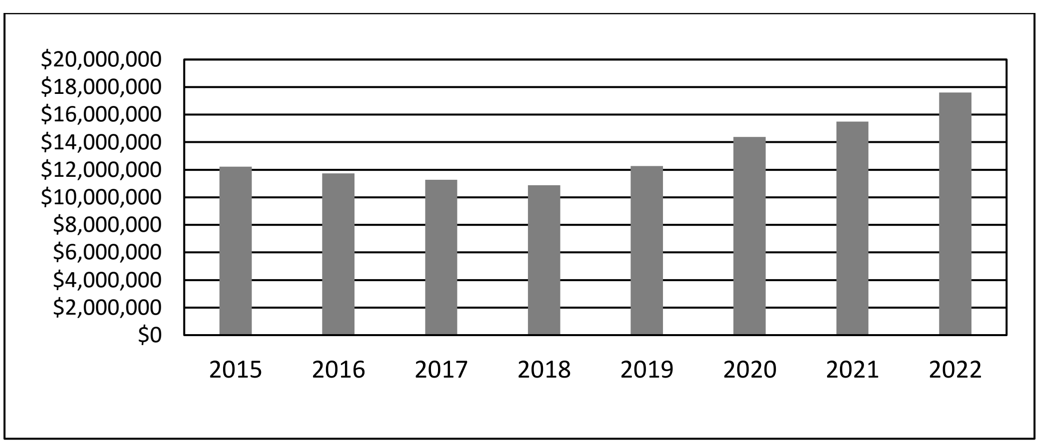
Detailed Objects of Expenditures by Year

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

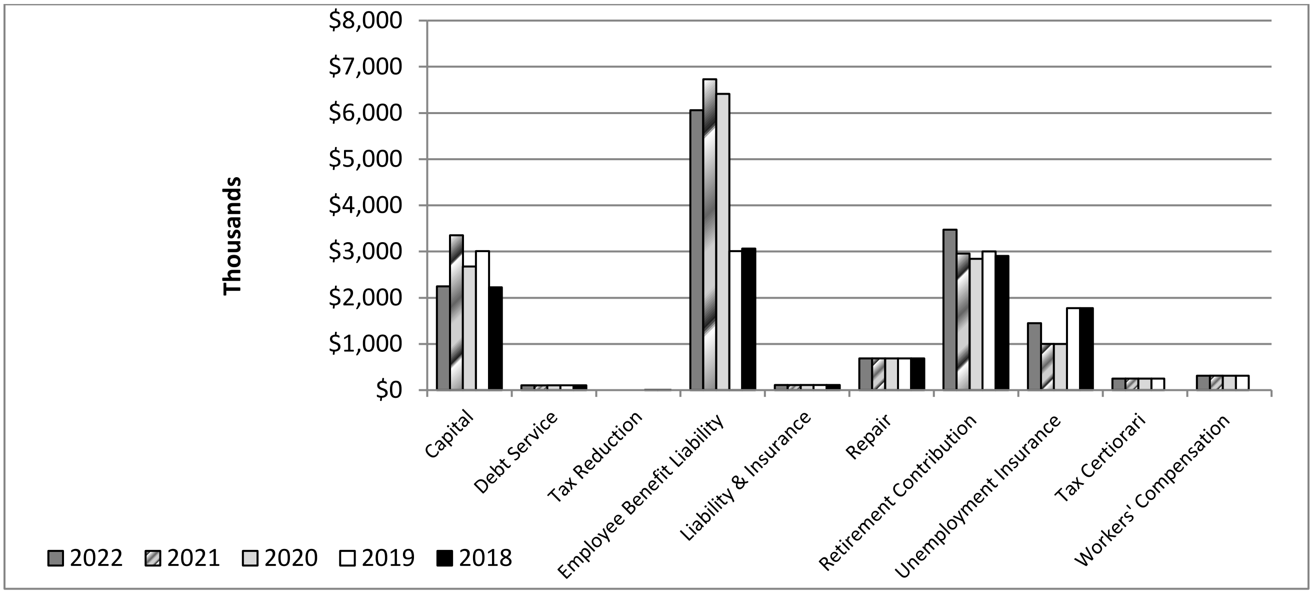


General Fund Operating Surplus (Deficit)

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



General Fund Reserved Fund Balance



Restricted Reserve Balances-June 30,

- The District's long-range plan for facilities continued during 2021-22, with planning commencing on a future capital improvement project.
- The District's capital assets, net of accumulated depreciation totaled $15.6 million at June 30. The district added $255 thousand consisting of transportation vehicles and $47 thousand of instructional equipment.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

DISTRICTWIDE FINANCIAL ANALYSIS

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. During 2020-2021 the District had a complete valuation of its capital assets; this has resulted in an adjustment to the District's capital asset balances in its financial statements.

The District updated its actuarial valuation of its Other Postemployment Benefits (OPEB) during 2021-2022, in Postemployment Benefits Other Than Pensions.' Additionally, the District implemented GASB Statement 87 '*Leases*' in 2021-2022, the impact of which is included in the accompanying financial statements.

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

NET POSITION FOR THE PERIOD ENDED JUNE 30,

	2022	2021
Current Assets	$20,132,371	$17,733,620
Noncurrent Assets	$22,146,935	25,746,232
Deferred Outflows of Resources	$4,949,504	5,161,423
Total Assets & Deferred Outflows	**$47,228,810**	**$48,641,275**
Current Liabilities	6,256,182	6,911,548
Noncurrent Liabilities	11,680,698	14,265,225
Deferred Inflows of Resources	9,467,820	2,506,613
Total Liabilities & Deferred Inflows	**$27,404,700**	**$23,683,386**
Net position:		
Investment in Capital Assets (net of related debt)	5,065,194	13,432,223
Restricted	17,799,059	9,028,961
Unrestricted	(3,040,143)	2,496,705
Total Net Position	**$19,824,110**	**$24,957,889**

The District's change in net position was $5.1 million, primarily decreasing due to capital asset valuation and restatement, as more fully explained in the accompanying financial statements.

Below is a summary of the net results of activities that resulted in the increase in net position.

SUMMARY OF CHANGE IN NET POSITION THE PERIOD ENDED JUNE 30,

Revenues	**2022**	**2021**
State and Federal Aid	$11,539,400	$10,559,003
Property Taxes	5,977,972	5,835,364
Operating Grants & Contributions	3,525,380	2,584,593
Miscellaneous	376,211	291,838
Charges for Services	162,263	232,389
Investment Earnings	32,681	31,204
Capital Grants & Contributions	-	-
	$21,613,907	**$19,534,391**
Expenses		
Instruction	$13,143,552	$14,151,238
General Support	2,226,487	2,226,444
Pupil Transportation	1,298,296	1,403,748
School Lunch	516,610	545,485
Interest	286,167	338,706
Community Services	24,683	22,184
	$17,495,795	**$18,687,805**
Change in Net Position	4,118,112	846,586
Net Position, Beginning of Year (Original)	24,957,889	24,021,589
Prior Period Adjustment	(9,251,891)	89,714
Net Position, Beginning of Year (Restated)	15,705,998	24,111,303
Net Position, End of Year	**$19,824,110**	**$24,957,889**

The District's operating grants and contributions revenue increased due to receipt of Federal Stimulus funds. Charges for services decreased because of decline in non-resident tuition received. Instruction, pupil transportation and school lunch expenses decreased because of return to normal operations from the pandemic response.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

WEALTH MEASURES AND SELECTED AID RATIOS					
	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023
Actual Value	$463,953,601	$479,569,885	$481,134,153	$498,469,840	$529,300,460
Selected Actual Value	$456,382,824	$471,761,743	$480,352,019	$489,801,996	$513,885,150
Actual Value/TWPU	$543,908	$578,492	$554,941	$609,376	$718,182
NYS Average AV/TWPU	***$598,200***	***$632,200***	***$668,700***	***$712,300***	***$779,900***
Selected Actual Value/TWFPU	$702,127	$762,135	$726,705	$802,954	$942,908
NYS Average Sel. AV/TWFPU	***$772,100***	***$794,664***	***$870,500***	***$932,200***	***$1,008,800***
Adjusted Gross Income (AGI)	$100,076,590	$95,805,679	$100,614,161	$107,614,209	$113,556,848
AGI/TWPU	$117,323	$115,567	$116,048	$131,557	$154,079
NYS Average AGI/TWPU	***$210,100***	***$207,600***	***$230,200***	***$233,900***	***$250,300***
AGI/TWFPU	$153,963	$154,774	$152,215	$176,416	$208,361
NYS Average AGI/TWFPU	***$271,100***	***$268,300***	***$299,700***	***$306,100***	***$323,800***
Combined Wealth Ratio (CWR)	0.733	0.735	0.666	0.708	0.767
NYS Average CWR	***1.000***	***1.000***	***1.000***	***1.000***	***1.000***
Public Excess Cost Aid Ratio	0.627	0.626	0.661	0.639	0.609
Private Excess Cost Aid Ratio	0.891	0.890	0.901	0.894	0.885
Basic Contribution	$8,199	$8,529	$9,126	$6,851	$9,752
Transportation Aid Ratio	0.716	0.715	0.770	0.736	0.692
BOCES Aid Ratio (Admin & Services)	0.535	0.524	0.575	0.555	0.527
Current RWADA Aid Ratio	0.535	0.524	0.575	0.555	0.527
Millage Ratio	0.280	0.273	0.299	0.286	0.267

- The state COVID pandemic financial crisis is expected to continue to impact District operations. Additionally, significant unanticipated costs may be incurred in order to comply with Local, State, and/or Federal mandates and directives.

CONTACTING THE DISTRICT

Questions regarding this report should be directed to the School Business Administrator (607) 243-5533 Ext. 7703 or by mail at 55 Water Street, Dundee, New York 14837.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2022

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	6,609,616
Cash and cash equivalents - restricted		270,712
Investments		12,065,045
Accounts receivable		120,690
Due from Federal and State governments		833,285
Prepaid expenses		216,356
Inventory		16,667
Total current assets		20,132,371
NON-CURRENT ASSETS:		
Capital assets, nondepreciable		5,928
Capital assets, net of depreciation and amortization		15,610,772
Net pension asset - ERS		555,407
Net pension asset - TRS		5,974,828
Total non-current assets		22,146,935
Total assets		42,279,306
DEFERRED OUTFLOWS OF RESOURCES		
Pension related - TRS		3,447,226
Pension related - ERS		1,070,227
OPEB related		432,051
Total deferred outflows of resources		4,949,504
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable		64,217
Accrued liabilities		203,828
Accrued interest		7,664
Unearned revenue		237,212
Due to other governments		20,592
Due to Teachers' Retirement System		599,011
Due to Employees' Retirement System		13,658
Bond anticipation note payable		5,110,000
Total current liabilities		6,256,182

LIABILITIES (CONTINUED)		
LONG-TERM LIABILITIES:		
Due and payable within one year -		
Lease liability	$	1,930
Bonds payable		1,025,000
Total long-term liabilities due and payable within one year		1,026,930
Due and payable after one year -		
Total other postemployment benefits (OPEB) liability		6,057,201
Bonds payable, net of current portion		4,590,000
Lease liability, net of current portion		6,567
Total long-term liabilities due and payable after one year		10,653,768
Total long-term liabilities		11,680,698
Total liabilities		17,936,880
DEFERRED INFLOWS OF RESOURCES		
Pension related - TRS		6,764,429
Pension related - ERS		1,901,561
OPEB related		801,830
Total deferred inflows of resources		9,467,820
NET POSITION		
Net investment in capital assets		5,065,194
Restricted		17,799,059
Unrestricted		(3,040,143)
Total net position	$	19,824,110

The accompanying notes are an integral part of these financial statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Activities
For the Year Ended June 30, 2022

		Program Revenue		
	Expenses	Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 2,226,487	$ -	$ -	$ (2,226,487)
Instruction	13,143,552	138,789	2,930,900	(10,073,863)
Pupil transportation	1,298,296	-	-	(1,298,296)
Community service	24,683	-	-	(24,683)
Interest	286,167	-	-	(286,167)
School lunch program	516,610	23,474	594,480	101,344
Total functions/programs	$ 17,495,795	$ 162,263	$ 3,525,380	$ (13,808,152)
GENERAL REVENUE:				
Real property taxes				5,234,668
Real property tax items				743,304
Use of money and property				32,681
Sale of property and compensation for loss				75,087
Miscellaneous				301,124
Medicaid reimbursement				58,393
State sources				11,481,007
Total general revenue				17,926,264
CHANGE IN NET POSITION				4,118,112
NET POSITION - beginning of year, as previously reported				24,957,889
RESTATEMENT (Note 16)				(9,251,891)
NET POSITION - beginning of year				15,705,998
NET POSITION - end of year				$ 19,824,110

The accompanying notes are an integral part of these financial statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2022

	General	Capital Projects	Special Aid	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 5,977,854	$ -	$ 414,043	$ 217,719	$ 6,609,616
Cash and cash equivalents - restricted	-	181,991	-	88,721	270,712
Investments	12,065,045	-	-	-	12,065,045
Accounts receivable	119,552	-	616	522	120,690
Due from other funds	1,119,073	137,652	299,404	35,407	1,591,536
Due from Federal and State governments	515,865	-	219,384	98,036	833,285
Inventory	-	-	-	16,667	16,667
Prepaid expenditures	210,538	-	-	5,818	216,356
Total assets	20,007,927	319,643	933,447	462,890	21,723,907
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	47,406	-	14,606	2,205	64,217
Accrued liabilities	164,936	-	31,410	7,482	203,828
Due to other funds	461,454	480,862	649,220	-	1,591,536
Due to other governments	-	-	20,501	91	20,592
Due to Teachers' Retirement System	599,011	-	-	-	599,011
Due to Employees' Retirement System	12,401	-	-	1,257	13,658
Unearned revenue	-	-	217,710	19,502	237,212
Bond anticipation note payable	-	5,110,000	-	-	5,110,000
Total liabilties	1,285,208	5,590,862	933,447	30,537	7,840,054
FUND BALANCES:					
Nonspendable -					
Inventory	-	-	-	16,667	16,667
Prepaid items	210,538	-	-	5,818	216,356
Restricted	17,389,191	-	-	409,868	17,799,059
Assigned to -					
Appropriated for subsequent year's expenditures	250,000	-	-	-	250,000
Other assigned purposes	113,526	-	-	-	113,526
Unassigned	759,464	(5,271,219)	-	-	(4,511,755)
Total fund balances	18,722,719	(5,271,219)	-	432,353	13,883,853
Total liabilities and fund balance	$ 20,007,927	$ 319,643	$ 933,447	$ 462,890	$ 21,723,907

The accompanying notes are an integral part of these financial statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balance - total governmental funds	$	13,883,853
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		15,616,700
Deferred outflows/inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows - ERS/TRS		4,517,453
Deferred inflows - ERS/TRS		(8,665,990)
Deferred outflows - OPEB		432,051
Deferred inflows - OPEB		(801,830)
Long-term other postemployment benefit (OPEB) obligations are not due and payable in the current period and, therefore, are not reported in the funds: (expense)/income		
Total other postemployment benefits (OPEB) liability		(6,057,201)
Net pension obligations/assets are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension asset - ERS		555,407
Net pension asset - TRS		5,974,828
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(5,615,000)
Lease liability		(8,497)
Accrued interest		(7,664)
Net position of governmental activities	$	19,824,110

The accompanying notes are an integral part of these financial statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Change In Fund Balance - Governmental Funds
For the Year Ended June 30, 2022

	General	Capital Projects	Special Aid	Nonmajor Funds	Total Governmental Funds
REVENUE:					
Real property taxes	$ 5,234,668	$ -	$ -	$ -	$ 5,234,668
Real property tax items	743,304	-	-	-	743,304
Charges for services	138,789	-	-	-	138,789
Use of money and property	32,574	-	-	107	32,681
Sale of property and compensation for loss	75,087	-	-	-	75,087
Miscellaneous	209,923	-	43,083	48,118	301,124
State sources	11,481,007	-	655,733	58,817	12,195,557
Federal sources	-	-	2,275,167	535,663	2,810,830
Medicaid reimbursement	58,393	-	-	-	58,393
Sales	-	-	-	23,474	23,474
Total revenue	17,973,745	-	2,973,983	666,179	21,613,907
EXPENDITURES:					
General support	1,932,866	-	-	-	1,932,866
Instruction	7,300,629	-	2,598,251	44,350	9,943,230
Pupil transportation	966,894	-	-	-	966,894
Community service	24,683	-	-	-	24,683
Employee benefits	3,552,829	-	379,257	64,902	3,996,988
Cost of sales	-	-	-	400,983	400,983
Debt service -			-		
Principal	1,793,932	-	-	-	1,793,932
Interest	287,406	-	-	-	287,406
Total expenditures	15,859,239	-	2,977,508	510,235	19,346,982
EXCESS (DEFICIENCY) OF REVENUES OVER	2,114,506	-	(3,525)	155,944	2,266,925
OTHER FINANCING SOURCES AND (USES)					
Proceeds from the issuance of leases	9,953	-	-	-	9,953
Bans redeemed from appropriations	-	776,000	-	-	776,000
Transfers in	21,742	-	25,267	-	47,009
Transfers out	(25,267)	-	(21,742)	-	(47,009)
Total other financing sources (uses)	6,428	776,000	3,525	-	785,953
CHANGE IN FUND BALANCE	2,120,934	776,000	-	155,944	3,052,878
FUND BALANCE - beginning of year	16,601,785	(6,047,219)	-	276,409	10,830,975
FUND BALANCE - end of year	$ 18,722,719	$ (5,271,219)	$ -	$ 432,353	$ 13,883,853

The accompanying notes are an integral part of these financial statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

Net changes in fund balance - total governmental funds	$	3,052,878
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.		312,687
Depreciation and amortization are not recorded as expenditures in the governmental funds, but are recorded as expenses in the statement of activities.		(1,094,009)
Loss on disposal of capital assets is not recorded as an expenditure in the governmental funds, but is recorded as an expense in the statement of activities.		(117,795)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.		1,017,932
Proceeds from issuance of leases are recorded as other financing sources for governmental funds, but are not recorded in the Statement of Activities. This is the amount of proceeds from leases received in the current year.		(9,953)
Other postemployment benefits (expense)/income resulting from the change in the related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and, therefore, are not reported in the funds.		
Total other postemployment benefits liability		673,092
Deferred outflows of resources		(65,376)
Deferred inflows of resources		(801,830)
TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and, therefore, are not reported in the funds.		
Net pension liability/asset		6,893,201
Deferred outflows of resources		187,828
Deferred inflows of resources		(6,185,186)
ERS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and, therefore, are not reported in the funds.		
Net pension liability/asset		561,966
Deferred outflows of resources		(334,371)
Deferred inflows of resources		25,809
Certain expenses in the statement of activities do not require the use of current resources and are, therefore, not reported as expenditures in the governmental funds:		
Change in accrued interest		1,239
Change in net position - governmental activities	$	4,118,112

The accompanying notes are an integral part of these financial statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Net Position - Fiduciary Funds
June 30, 2022

	Private Purpose Trust	Custodial Fund
ASSETS:		
Cash - restricted	$ 1,451,930	$ -
Total assets	1,451,930	-
NET POSITION:		
Restricted for scholarships	1,451,930	-
Total net position	$ 1,451,930	$ -

The accompanying notes are an integral part of these financial statements.

DUNDEE CENTRAL SCHOOL DISTRICT

Statement of Change in Fiduciary Net Position - Fiduciary Funds
For the year ended June 30, 2022

	Private Purpose Trust	Custodial Fund
ADDITIONS:		
Gifts and contributions	$ 9,620	$ -
Investment earnings	294	-
Tax collections for other governments	-	163,000
Total additions	9,914	163,000
DEDUCTIONS:		
Scholarships and awards	14,771	-
Payments of tax to other governments	-	163,000
Total deductions	14,771	163,000
CHANGE IN NET POSITION	(4,857)	-
NET POSITION - beginning of year	1,456,787	-
NET POSITION - end of year	$ 1,451,930	$ -

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

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

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

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

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

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

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

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

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

During the year, the District was billed $1,941,416 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $502,779.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Fund Financial Statements
The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor governmental funds:

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

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

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

The District has two types of fiduciary funds:

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

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

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

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

Non-exchange transactions in which the District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Cash, Cash Equivalents, and Investments

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

Restricted Cash and Cash Equivalents

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

Accounts Receivable and Due From Federal and State Governments

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

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

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

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

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

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

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

Capital Assets

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

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

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

Capital assets also include lease assets with a term greater than one year. The District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

Vested Employee Benefits

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

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

Accruals in the accompanying financial statements for earned but unused vacation time has been calculated using the vesting/termination method and is calculated based on the pay rates in effect at year end.

In the fund statements these amounts are recognized as expenditures on a pay-as-you-go basis.

Other Benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch fund.

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

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

Reserve for Debt Service

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

Repair

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

Employee Benefit Accrued Liability Reserve

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

Insurance Reserve

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

Tax Certiorari

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

Retirement Contributions Reserve Fund

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

Workers' Compensation

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

Unemployment Insurance Reserve

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

Restricted fund balance includes the following:

General Fund:	
Workers' compensation	$ 313,000
Capital reserve	4,946,866
Debt service	102,556
Employee benefits	6,057,201
Retirement contributions	3,472,789
Unemployment insurance	1,450,000
Insurance	110,000
Repair	686,779
Tax certiorari	250,000
	17,389,191
School Lunch Fund	321,147
Miscellaneous Special Revenue Fund - Extraclassroom Activities	$ 88,721
	$ 17,799,059.00

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

Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision making authority, the BOE. The District has no committed fund balances as of June 30, 2022.

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

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

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

Order of Fund Balance Spending Policy

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

Use of Estimates

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

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

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

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

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of five broad categories.

- Long Term Revenue and Expense Differences

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

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

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

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

The voters of the District approved the proposed appropriation budget.

Appropriations are adopted at the program line item level.

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

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

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

Fund Balance

The Capital Projects Fund had a deficit fund balance of $5,271,219. This will be funded when the District obtains permanent financing for its current construction project.

Encumbrances

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

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

5. CASH

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.

At June 30, 2022, the reported amount of the District's deposits was $8,332,258 and the bank balance was $8,762,109. Of the bank balance, $431,987 was covered by federal depository insurance and $8,330,122 was covered by collateral held in the pledging bank's trust department in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $270,712 within the governmental funds and $1,451,930 in the fiduciary funds.

6. INVESTMENTS

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

NYCLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in NYCLASS is not required to be categorized within the fair value hierarchy of purposes of Paragraph 81a(2) of Statement 72.

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

The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2022 is 36 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of NYCLASS at March 31, 2022, is 61 days.

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

NYCLASS Portfolio Holdings as of June 30, 2022:

U.S. Treasury Securities (Full Faith and Credit)	52.78%
Bank Deposits (Collateralized)	15.27%
Repurchase Agreements (Collateralized)	27.29%
FDIC Insured Bank Deposits	4.66%
	100.00%

Total District NYCLASS Investment balance as of June 30, 2022:	$ 12,065,045

DUNDEE CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements
June 30, 2022

7. CAPITAL ASSETS

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

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 5,928	$ -	$ -	$ 5,928
Total nondepreciable capital assets	5,928	-	-	5,928
Capital assets that are depreciated:				
Buildings and improvements	30,051,856	8,800	-	30,060,656
Furniture and equipment	4,078,403	293,934	(356,354)	4,015,983
Total depreciable capital assets	34,130,259	302,734	(356,354)	34,076,639
Less accumulated depreciation:				
Buildings and improvements	(15,446,347)	(758,168)	-	(16,204,515)
Furniture and equipment	(2,195,499)	(314,875)	238,559	(2,271,815)
Total accumulated depreciation	(17,641,846)	(1,073,043)	238,559	(18,476,330)
Total depreciable cost - net	16,488,413	(770,309)	(117,795)	15,600,309
Lease assets, being amortized:				
Equipment	21,476	9,953	-	31,429
Total lease assets, being amortized	21,476	9,953	-	31,429
Less accumulated amortization:				
Equipment	-	(20,966)	-	(20,966)
Total accumulated amortization	-	(20,966)	-	(20,966)
Total lease assets, being amortized, net	21,476	(11,013)	-	10,463
Total capital assets, net	$ 16,515,817	$ (781,322)	$ (117,795)	$ 15,616,700

Depreciation and amortization expense for the year ended June 30, 2022, were allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 15,159	$ -
Instruction	699,947	20,966
Pupil transportation	278,061	-
School lunch	79,876	-
Total depreciation/amortization	$ 1,073,043	$ 20,966

8. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General	$ 1,119,073	$ 461,454	$ 21,742	$ 25,267
Special Aid	299,404	649,220	25,267	21,742
School Lunch	35,407	-	-	-
Capital Projects	137,652	480,862	-	-
Total	$ 1,591,536	$ 1,591,536	$ 47,009	$ 47,009

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

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

9. SHORT-TERM DEBT

On June 23, 2022, the District issued a bond anticipation note renewal to fund the capital improvement project.

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

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/24/2022	1.250%	$ 5,886,000	$ -	$ (5,886,000)	$ -
BAN	6/23/2023	3.500%	-	5,110,000	-	5,110,000
			$ 5,886,000	$ 5,110,000	$ (5,886,000)	$ 5,110,000

Total interest on short-term debt for the year totaled $73,575.

10. LONG-TERM OBLIGATIONS

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

	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Bonds:					
Serial bonds payable	$ 6,610,000	$ -	$ (995,000)	$ 5,615,000	$ 1,025,000

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

Interest paid on serial bonds	$ 213,675
Interest paid on leases	156
Less: Interest accrued in the prior year	(8,903)
Plus: Interest accrued in the current year	7,664
Total interest expense associated with long-term obligations	$ 212,592

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

Bond Issue	Issued	Maturity	Interest Rate	6/30/2022 Balance
2015 Construction Bond	6/15/2015	6/15/2030	2.00-3.00%	$ 4,085,000
2016 Series E Bonds	6/15/2016	6/15/2031	2.00-5.00%	1,530,000
Total bond issue				$ 5,615,000

The following is a summary of the maturity of long-term indebtedness as of June 30, 2022:

	Principal	Interest	Total
2023	$ 1,025,000	$ 183,925	$ 1,208,925
2024	1,055,000	153,175	1,208,175
2025	1,090,000	121,425	1,211,425
2026	1,010,000	88,550	1,098,550
2027	590,000	104,800	694,800
2028-2032	845,000	69,050	914,050
Totals	$ 5,615,000	$ 720,925	$ 6,335,925

11. LEASES

Lessee Agreements

The District leases various equipment, such as fitness machines and a postage machine. The leases have various inception dates and remaining terms ranging from 12 to 60 months. The leases do not contain renewal options. The interest rate/discount rate associated with these leases is 2.16%, and the total lease liability as of June 30, 2022 is $8,497.

Activity of lease liabilities for the year ended June 30, 2022 is summarized as follows:

Beginning Balance (Restated)	Additions	Subtractions	Ending Balance	Amount Due Within One Year
$ 21,476	$ 9,953	$ (22,932)	$ 8,497	$ 1,930

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

	Principal	Interest	Total
2023	$ 1,930	$ 168	$ 2,098
2024	1,972	126	2,098
2025	2,015	83	2,098
2026	2,059	39	2,098
2027	521	3	524
Total	$ 8,497	$ 419	$ 8,916

11. PENSION PLANS

New York State Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. 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. That report, including information with regard to benefits provided, and the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2022	$ 316,175
2021	$ 281,064
2020	$ 279,715

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

At June 30, 2022, the District reported a net pension asset of $555,407 for its proportionate share of the ERS net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2021. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the District's proportionate share was 0.0067943%, which was an increase of 0.0002076% from its proportionate share at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of $42,040. At June 30, 2022, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 42,062	$ 54,557
Changes of assumptions	926,913	15,641
Net difference between projected and actual earnings on pension plan investments	-	1,818,727
Changes in proportion and differences between the District's contributions and proportionate share of contributions	40,681	12,636
Contributions subsequent to the measurement date	60,571	-
Total	$ 1,070,227	$ 1,901,561

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

Plan's Year Ended March 31:	
2023	$ (134,709)
2024	(196,831)
2025	(467,089)
2026	(93,276)
2027	-
Thereafter	-
	$ (891,905)

The District recognized $60,571 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Actuarial Assumptions

The total 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.

The actuarial valuation used the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation	2.70%
Salary scale	4.4% indexed by service
Cost-of-living adjustments	1.4%
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% net of investment expenses, including inflation

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 returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic Equity	32.00	3.30
International Equity	15.00	5.85
Private Equity	10.00	6.50
Real Estate	9.00	5.00
Opportunistic/Absolute Return Strategy	3.00	4.10
Credit	4.00	3.78
Real Assets	3.00	5.80
Fixed Income	23.00	0.00
Cash	1.00	-1.00
	100.00%	

Discount Rate

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

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

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

	1% Decrease 4.90%	Current Discount 5.90%	1% Increase 6.90%
Proportionate share of net pension liability (asset)	$ 1,429,613	$ (555,407)	$ (2,215,781)

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2022, were as follows:

Total pension liability	$223,874,888
Net position	232,049,473
Net pension liability (asset)	$ (8,174,585)
ERS net position as a percentage of total pension liability	103.65%

New York State Teachers' Retirement System

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

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

NYSTRS is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	TRS
2022	$ 557,709
2021	$ 499,795
2020	$ 572,778

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2022, the District reported net pension asset of $5,974,828 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020. The District's proportion of the net pension asset was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the District's proportionate share was 0.034479%, which was an increase of 0.001244% from its proportionate share at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension income of $338,842. At June 30, 2022, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 823,567	$ 31,042
Changes of assumptions	1,965,246	348,016
Net difference between projected and actual earnings on pension plan investments	-	6,253,275
Changes in proportion and differences between the District's contributions and proportionate share of contributions	101,720	132,096
Contributions subsequent to the measurement date	556,693	-
Total	$ 3,447,226	$ 6,764,429

The District recognized $556,693 as a deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2021 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

Plan's Year Ended June 30:	
2022	$ (767,585)
2023	(902,249)
2024	(1,137,789)
2025	(1,527,511)
2026	268,185
Thereafter	193,053
	$ (3,873,896)

Actuarial Assumptions
The total pension liability at the June 30, 2021 measurement date was determined by 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:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience and

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

Projected COLAs	1.3% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on MP2020 starting as of June 30, 2021.

The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions. Refer to the Actuarial Assumptions Report for full details.

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

The Long Term Expected Real Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2021 are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic equity	33.00	6.8
International equity	16.00	7.6
Global equity	4.00	7.1
Real estate equity	11.00	6.5
Private equity	8.00	10.0
Domestic fixed income	16.00	1.3
Global bonds	2.00	0.8
Private debt	1.00	5.9
Real estate debt	7.00	3.3
High-yield bonds	1.00	3.8
Cash equivalents	1.00	-0.2
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate
The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 5.95%	Current Discount 6.95%	1% Increase 7.95%
Proportionate Share of Net Pension Liability (asset)	$ (626,971)	$ (5,974,828)	$(10,469,313)

Pension Plan Fiduciary Net Position (000's)
The components of the current year net pension liability of the employers as of June 30, 2021, were as follows:

Total pension liability	$ 130,819,415,417
Net position	148,148,457,363
Net pension liability (asset)	$ (17,329,041,946)
NYSTRS net position as a percentage of total pension liability	113.2%

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

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	June 30, 2022
ERS Liability	13,658
TRS Liability	599,011

12. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Plan Description
The District's defined benefit Other Postemployment Benefits Plan (the OPEB Plan) provides coverage to retired employees and their survivors in accordance with the mandated provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by the employees who elect coverage under the Act and the District incurs no direct costs. Through special agreement, the District transfers 100% of coverage of the cost of premiums to an insurance company, which currently provides health care insurance for 31 retirees and 14 retiree spouses.

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

Benefits Provided

The special agreements the District offers for health insurance benefits to retirees state that for administrators, teachers and support staff who retire from the District, they will receive a cash value retirement benefit calculated on their accumulated sick days, not to exceed the maximum per their individual or group contract, multiplied by their daily rate at retirement, as per contract. This benefit is only for the cost of hospitalization and dental insurance and there will be no cash settlement. In the event of the death of the retiree, the surviving spouse will receive the remainder of the cash value for the cost of hospitalization insurance until the benefit is exhausted. Once this benefit is exhausted the District retirees may continue to belong to the health insurance program at their own cost. The District cost of these health benefits for retirees is determined by the value of unused sick time at retirement. The District has fully funded the estimated future cost in the amount of $6,057,201, which is reported in the employee benefit accrued liability reserve in the General Fund.

Employees Covered by Benefit Terms

As of the July 1, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	45
Active employees	139
Total participants	184

Total OPEB Liability

The District's total OPEB liability of $6,057,201 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.60 percent
Salary Scale	2.60 percent
Discount Rate	3.54 percent
Medical/Healthcare Trend Rate	5.1 percent to 4.1 percent over 54 years
Cost Method	Entry Age Normal

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

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

Changes in the Total OPEB Liability

Balance at June 30, 2021	$ 6,730,293
Changes for the Year-	
Service cost	398,254
Interest	150,455
Changes in demographic gains or losses	(597,199)
Changes in assumptions or other inputs	(296,796)
Benefit payments	(327,806)
Net changes	(673,092)
Balance at June 30, 2022	$ 6,057,201

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

	1% Decrease 2.54%	Current Discount 3.54%	1% Increase 4.54%
Total OPEB Liability	$ 6,581,180	$ 6,057,201	$ 5,573,241

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:

	Healthcare		
	1% Decrease 4.1% - 3.1%	Current Trend 5.1% - 4.1%	1% Increase 6.1% - 5.1%
Total OPEB Liability	$ 5,350,283	$ 6,057,201	$ 6,900,492

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 $521,920. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 535,632
Changes of assumptions	432,051	266,198
Total	$ 432,051	$ 801,830

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

Fiscal Year Ending June	Amount
2023	$ (26,789)
2024	(26,789)
2025	(26,789)
2026	(26,789)
2027	(26,789)
Thereafter	(235,834)
	$ (369,779)

13. RISK MANAGEMENT

General

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

Workers' Compensation

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

Plan membership is currently comprised of Wayne-Finger Lakes BOCES and twenty-three districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any 'excess insurance," the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2022, the Dundee Central School District incurred premiums or contribution expenditures totaling $88,118.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2021 revealed that the Plan is operating at a surplus of $6,326,411. At this time, the District has not been required to make any additional premium payments to fund any funding deficits.

Health Insurance

The District is a participant in the Finger Lakes Area School Health Plan, a public entity risk pool operated for the benefit of individual school districts, BOCES, and community colleges located within the Finger Lakes area. The District pays monthly premiums to the Plan for this health coverage. During the year ended June 30, 2022, the District incurred premiums or contribution expenditures totaling $3,007,404.

Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a reserve to pay these claims. There were no claim and judgement expenditures of this program for the year ended June 30, 2022. The balance of the fund at June 30, 2022 is $1,450,000 and is recorded in the General fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2022, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

14. CONTINGENCIES AND COMMITMENTS

Litigation

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

Grants

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

15. TAX ABATEMENT

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

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

Year Began	Agreement / Property	Total Assessed Value	Abatement Rate	Pilot Taxable Value	School Tax Rate / 1000	Regular Taxable Amount	Pilot Payment Received	Taxes Abated
2005	Finger Lakes Railroad Corp	$ 1,875,000	Varies	$ 1,875,000	9.707267	$ 18,201	$ 16,437	$ 1,764
2007	Empire Pipeline	12,776,713	Varies	-	9.707290	124,026	120,771	3,255
2010	Winery Properties	965,000	100%	-	9.982721	11,035	11,035	-
2012	BWF Holdings	400,000	90%	400,000	9.982721	3,993	3,754	239
2018	Plum Point Lodge	949,500	30%	949,500	10.398649	9,873	7,832	2,041
2011	BWF Holdings	1,146,300	90%	1,146,300	9.982721	11,443	10,432	1,011
2007	Empire Pipeline	2,879,306	Varies	2,879,306	9.707394	27,950	52,970	(25,020)
						$ 206,521	$ 223,231	$ (16,710)

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

16. RESTATEMENT

Change in Accounting Principle

During the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases.* GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use and underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. These changes were incorporated in the District's financial statements and had no effect on the beginning net position of the governmental activities, as the net book value of the leased asset equaled the amount of the lease liability.

Correction of Error

The District also restated its June 30, 2021 net position by ($9,251,891) to account for deletions to both building and improvements and furniture and equipment, which had previously been recorded on the District's books. The impact of this correction was a decrease in net investment in capital assets and capital assets, net for the year ended June 30, 2021.

	Governmental Activities Net Position
Balance at June 30, 2021, as previously reported	$ 24,957,889
Adjustments:	
Net book value leased asset	21,476
Lease liability	(21,476)
Capital assets	(9,251,891)
Balance at July 1, 2021, as restated	$ 15,705,998

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
Real property taxes	$ 5,743,977	$ 5,743,977	$ 5,234,668	$ -	$ (509,309)
Other tax items	226,500	226,500	743,304	-	516,804
Charges for services	90,000	90,000	138,789	-	48,789
Use of money and property	75,000	75,000	32,574	-	(42,426)
Sale of property and compensation for loss	5,000	5,000	75,087	-	70,087
Miscellaneous	93,000	93,000	209,923	-	116,923
State sources	12,318,762	12,318,762	11,481,007	-	(837,755)
Medicaid reimbursement	20,000	20,000	58,393	-	38,393
Total revenue	18,572,239	18,572,239	17,973,745	-	(598,494)
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	72,652	42,644	24,082	260	18,302
Central administration	201,376	203,962	202,675	-	1,287
Finance	390,309	398,503	345,185	-	53,318
Staff	83,314	86,551	84,031	-	2,520
Central services	1,100,123	1,136,170	1,066,999	10,763	58,408
Special items	225,577	220,077	209,894	-	10,183
Total general support	2,073,351	2,087,907	1,932,866	11,023	144,018

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Budgetary Actual
INSTRUCTION:					
Instruction, administration, and improvement	507,347	496,365	425,782	309	70,274
Teaching - regular school	3,882,244	3,950,405	2,932,017	12,609	1,005,779
Programs for children with handicapping conditions	3,306,043	3,406,617	2,495,150	-	911,467
Occupational education	390,900	305,900	304,830	-	1,070
Teaching - special school	83,730	83,730	1,444	-	82,286
Instructional media	687,915	686,723	459,306	10,948	216,469
Pupil services	1,056,162	1,107,177	682,100	8,053	417,024
Total instruction	9,914,341	10,036,917	7,300,629	31,919	2,704,369
Pupil transportation	1,050,434	1,128,665	966,894	70,584	91,187
Community service	27,300	27,300	24,683	-	2,617
Employee benefits	4,795,845	4,681,957	3,552,829	-	1,129,128
Debt service	2,072,965	2,074,675	2,081,338	-	(6,663)
Total expenditures	19,934,236	20,037,421	15,859,239	113,526	4,064,656
Excess (deficiency) of revenue over expenditures	(1,361,997)	(1,465,182)	2,114,506	(113,526)	3,466,162
OTHER FINANCING SOURCES (USES):					
Proceeds from the issuance of leases	-	-	9,953	-	9,953
Transfers in	-	-	21,742	-	21,742
Transfers out	(26,866)	(25,267)	(25,267)	-	-
Total other financing uses	(26,866)	(25,267)	6,428	-	31,695
CHANGE IN FUND BALANCES	$ (1,388,863)	$ (1,490,449)	2,120,934	$ (113,526)	$ 3,497,857
FUND BALANCE - beginning of year			16,601,785		
FUND BALANCE - end of year			$ 18,722,719		

DUNDEE CENTRAL SCHOOL DISTRICT

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

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service cost	$ 398	439	$ 345							
Interest	151	148	202							
Effect of demographic gains or losses	(597)	-	-							
Changes in assumptions	(297)	25	600							
Benefit payments	(328)	(293)	(295)							
Total change in total OPEB liability	(673)	319	852							
Total OPEB liability - beginning	6,730	6,411	5,559							
Total OPEB liability - ending	$ 6,057	$ 6,730	$ 6,411							
Covered-employee payroll	$ 6,260	$ 6,512	$ 6,512							
Total OPEB liability as a percentage of	96.8%	103.3%	98.4%							

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as information becomes available.

Notes to schedule:

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

Discount rate	3.54%	2.16%	2.21%	3.50%

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as information becomes available.

This valuation reflects the adoption of the Pub-2010 Mortality Table with generational projection of future improvements per the MP-2021 Ultimate Scale. Additionally, the retirement and turnover rates were updated to reflect the assumptions used in the 2020 Annual Report to the Comptroller on Actuarial Assumptions, and the spousal election and married assumptions were combined into one assumption. The combined impact of these assumption changes was an increase in the Liability of about $0.3 million (5.4%).

Plan Assets *.* No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan

DUNDEE CENTRAL SCHOOL DISTRICT

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

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%	0.007%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as information becomes available.	
Proportionate share of the net pension liability (asset)	$ (555)	$ 7	$ 1,761	$ 481	$ 233	$ 639	$ 1,111	$ 224		
Covered-employee payroll	$ 2,177	$ 2,113	$ 2,128	$ 2,052	$ 2,227	$ 2,127	$ 2,020	$ 2,102		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-25.49%	0.33%	82.75%	23.44%	10.46%	30.04%	55.00%	10.66%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%		

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.034%	0.033%	0.032%	0.031%	0.034%	0.035%	0.035%	0.033%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as information becomes available.	
Proportionate share of the net pension liability (asset)	$ (5,975)	$ 918	$ (839)	$ (566)	$ (261)	$ 372	$ (3,605)	$ (3,707)		
Covered-employee payroll	$ 5,852	$ 5,641	$ 5,393	$ 5,100	$ 5,448	$ 5,361	$ 5,412	$ 5,225		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-102.10%	16.27%	-15.56%	-11.10%	-4.79%	6.94%	-66.61%	-70.95%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.20%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%		

DUNDEE CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 316	$ 281	$ 280	$ 276	$ 314	$ 307	$ 337	$ 401	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as information becomes available.	
Contributions in relation to the contractually required contribution	316	281	280	276	314	307	337	401		
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Covered-employee payroll	$ 2,177	$ 2,113	$ 2,128	$ 2,052	$ 2,227	$ 2,127	$ 2,020	$ 2,102		
Contributions as a percentage of covered-employee payroll	14.52%	13.30%	13.16%	13.45%	14.10%	14.43%	16.68%	19.08%		

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 558	$ 500	$ 573	$ 500	$ 638	$ 711	$ 914	$ 955	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as information becomes available.	
Contributions in relation to the contractually required contribution	558	500	573	500	638	711	914	955		
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Covered-employee payroll	$ 5,852	$ 5,641	$ 5,393	$ 5,100	$ 5,448	$ 5,361	$ 5,412	$ 5,225		
Contributions as a percentage of covered-employee payroll	9.54%	8.86%	10.62%	9.80%	11.71%	13.26%	16.89%	18.28%		

SUPPLEMENTARY INFORMATION

DUNDEE CENTRAL SCHOOL DISTRICT

Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Miscellaneous Special Revenue	School Lunch	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ -	$ 217,719	$ 217,719
Cash and cash equivalents - restricted	88,721	-	88,721
Accounts receivable	-	522	522
Due from other funds	-	35,407	35,407
Due from Federal and State Governments	-	98,036	98,036
Inventory	-	16,667	16,667
Prepaid expenditures	-	5,818	5,818
Total assets	$ 88,721	$ 374,169	$ 462,890
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	$ -	$ 2,205	$ 2,205
Accrued liabilities	-	7,482	7,482
Due to other governments	-	91	91
Due to Employees' Retirement System	-	1,257	1,257
Unearned revenue	-	19,502	19,502
Total liabilities	-	30,537	30,537
FUND BALANCES:			
Nonspendable -			
Inventory	-	16,667	16,667
Prepaid items	-	5,818	5,818
Restricted	88,721	321,147	409,868
Total fund balances	88,721	343,632	432,353
Total liabilities and fund balances	$ 88,721	$ 374,169	$ 462,890

DUNDEE CENTRAL SCHOOL DISTRICT

Combining Statement of Revenue, Expenditures, and Change in Fund Balance - Nonmajor Governmental Funds
For the year ended June 30, 2022

	Miscellaneous Special Revenue	School Lunch	Total Nonmajor Governmental Funds
REVENUE:			
Use of money and property	$ -	$ 107	$ 107
Miscellaneous	47,829	289	48,118
State sources	-	58,817	58,817
Federal sources	-	535,663	535,663
Sales	-	23,474	23,474
Total revenue	47,829	618,350	666,179
EXPENDITURES:			
Instruction	44,350	-	44,350
Employee benefits	-	64,902	64,902
Cost of sales	-	400,983	400,983
Total expenditures	44,350	465,885	510,235
CHANGE IN FUND BALANCE	3,479	152,465	155,944
FUND BALANCE - beginning of the year	85,242	191,167	276,409
FUND BALANCES - end of year	$ 88,721	$ 343,632	$ 432,353

OTHER INFORMATION (UNAUDITED)

DUNDEE CENTRAL SCHOOL DISTRICT

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

For the Year Ended June 30, 2022

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget		$ 19,961,102
Add: Prior year's encumbrances		101,586
Original budget		20,062,688
Budget revisions		-
Final budget		$ 20,062,688

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 voter-approved expenditure budget	$ 20,236,116	
Maximum allowed (4% of 2022-23 budget)		$ 809,445
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Total fund balance:	$ 18,722,719	
Less:		
Restricted fund balance	17,389,191	
Assigned fund balance:		
Appropriated for subsequent year's expenditures	250,000	
Nonspendable	210,538	
Other assigned purposes	113,526	
Total adjustments	$ 17,963,255	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		$ 759,464
Actual percentage		3.75%

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

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Project Expenditures - Capital Projects Funds (Unaudited)
For the Year Ended June 30, 2022

Project Title	Original Appropriation	Revised Appropriation	Prior Years' Expenditures	Current Year Expenditures	Total Expenditures	Unexpended Balance	Federal and State sources
Smart Schools Bond Act	$ 888,015	$ 888,015	$ 708,171	$ -	$ 708,171	$ 179,844	$ 708,171
	$ 888,015	$ 888,015	$ 708,171	$ -	$ 708,171	$ 179,844	$ 708,171

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited)
For the Year Ended June 30, 2022

Capital assets, net	$	15,616,700
Deduct:		
Bond anticipation notes		(5,110,000)
Less: Unspent BAN proceeds		181,991
Short-term portion of bonds payable		(1,025,000)
Long-term portion of bonds payable		(4,590,000)
Short-term portion of leases		(1,930)
Long-term portion of leases		(6,567)
Net investment in capital assets	$	5,065,194

Bonadio & Co., LLP
Certified Public Accountants

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

October 13, 2022

To the Board of Education of the
Dundee Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dundee Central School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2022.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

Bonadio & Co., LLP
Certified Public Accountants

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

October 13, 2022

To the Board of Education of the
Dundee Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Responsibilities of Management For Compliance

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Reports 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 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.

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Passed through New York State Education Department -			
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-3780	$ 445,117
COVID-19 - Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-3870	395,457
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	5218-21-3870	3,000
Subtotal Education Stabilization Fund			843,574
Special Education Cluster:			
Special Education - Grants to States	84.027	0032-22-1123	217,527
COVID-19 - Special Education - Grants to States	84.027	5532-22-1123	31,905
Special Education - Preschool Grants	84.173	0033-22-1123	11,335
COVID-19 - Special Education - Preschool Grants	84.173	5533-22-1123	5,031
Subtotal Special Education Cluster			265,798
Title I Grants to Local Educational Agencies	84.010	0011-22-3870	701,858
Title I Grants to Local Educational Agencies	84.010	0011-22-2054	250,000
Subtotal Title I Grants to Local Educational Agencies			951,858
Rural and Low-Income School Program	84.358	0006-22-3870	13,003
Supporting Effective Instruction State Grants	84.367	0147-22-3870	76,723
Student Support and Academic Enrichment Program	84.424	0204-22-3870	35,192
Total Passed through New York State Education Department			2,186,148
Total U.S. Department of Education			2,186,148
U.S. Department of Health and Human Services:			
Passed through Research Foundation for Mental Hygiene, Inc. -			
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	H79SM082962-02	89,019
Total U.S. Department of Health and Human Services			89,019

DUNDEE CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Farmers' Market Supplemental Nutrition Assistance Program Support Grants	10.545	N/A	2,470
Child Nutrition Cluster:			
National School Lunch Program (NSLP)	10.555	N/A	34,896
Passed through New York State Education Department -			
Summer Food Service Program (SFSP)	10.559	N/A	7,156
National School Lunch Program (NSLP)	10.555	N/A	357,620
National School Breakfast Program (SBP)	10.553	N/A	132,920
Subtotal Child Nutrition Cluster			532,592
Passed through New York State Education Department -			
P-EBT Administrative Costs Grants	10.649	N/A	601
Total Passed through New York State Education Department			498,297
Total U.S. Department of Agriculture			535,663
Total Expenditures of Federal Awards			$ 2,810,830

Total Program Expenditures by Assistance Listing Number

National School Lunch Program (NSLP)	10.555		$ 392,516
Special Education - Grants to States	84.027		$ 249,432
Special Education - Preschool Grants	84.173		$ 16,366

The accompanying notes are an integral part of this schedule.

DUNDEE CENTRAL SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Dundee Central School District (the District), under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the District's general ledger.

3. PASS-THROUGH PROGRAMS

Where the District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing (AL) number advised by the pass-through grantor.

Identifying numbers, other than the AL numbers, which may be assigned by pass-through grantors are not maintained in the District's financial management system. The District has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The District did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

5. MATCHING COSTS

Matching costs, i.e., the District's share of certain program costs, are not included in the reported expenditures.

6. NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a “non-monetary” program. During the year ended June 30, 2022, the District received food commodities, the fair value of which amounted to $34,896, is presented in the Schedule as National School Lunch Program (Division of Donated Foods, AL #10.555).

DUNDEE CENTRAL SCHOOL DISTRICT

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

A. SUMMARY OF AUDITOR RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:		Unmodified		
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiencies identified 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 not considered to be material weaknesses?		Yes	X	None reported
Type of auditor's report issued on compliance for major program		Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR Section 200.516(a)?		Yes	X	No

Identification of major programs:

AL Number	Name of Federal Program
84.010	Title I Grants to Local Educational Agencies
84.425	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:		$	750,000	
Auditee qualified as low-risk auditee?	X	Yes		No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

D. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None.