PRELIMINARY OFFICIAL STATEMENT DATED MAY 31, 2023

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Harris Beach PLLC, Bond Counsel to the District, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the District, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes, and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. However, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

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

$11,015,000

LE ROY CENTRAL SCHOOL DISTRICT

GENESEE AND LIVINGSTON COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$11,015,000 Bond Anticipation Notes, 2023 Series B (Renewals)

(the "Notes")

Dated: June 29, 2023 **Due: June 28, 2024**

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

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

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Harris Beach PLLC, Pittsford, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), or about June 29, 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 Sales. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June __, 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 NOTICES OF CERTAIN EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – C, UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS" HEREIN.

LE ROY CENTRAL SCHOOL DISTRICT

GENESEE AND LIVINGSTON COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

JACALYN WHITING
President

RICHARD LAWRENCE
Vice President

CHRISTINE DOWELL
RACHAEL GREENE
JASON KARCHER
PETER LOFTUS
WILLIAM MACKENZIE

* * * * * * * * * * *

MERRITT HOLLY
Superintendent of Schools

BRIAN FOELLER
Business Administrator

TERESA McMULLEN
Treasurer

LORI WROBEL
District Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

HARRIS BEACH PLLC
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

LE ROY CENTRAL SCHOOL DISTRICT
GENESEE AND LIVINGSTON COUNTIES, NEW YORK

Relating To

$11,015,000 Bond Anticipation Notes, 2023 Series B (Renewals)

This Official Statement, which includes the cover page, has been prepared by the Le Roy Central School District, Genesee and Livingston Counties, New York (the "School District" or "District", "County", or “Counties” and "State", respectively) in connection with the sale by the District of $11,015,000 principal amount of Bond Anticipation Notes, 2023 Series B (Renewals) (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 School District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “NATURE OF THE OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes are dated June 29, 2023 and mature, without option of prior redemption, on June 28, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued, at the option of the purchaser(s) in either (i) registered certificated form registered in the name of the purchaser, with a single note certificate being issued for those Notes bearing interest at the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate, or (ii) as registered book-entry-only form, and, if so issued, registered in the name of Cede & Co. as nominee of the Depository Trust Company (“DTC”), which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

If the Notes are registered in the name of the purchaser, principal and interest on the Notes shall be payable at the office of the School District Clerk, Le Roy, New York, who will act as Paying Agent for the Notes, or at the option of a purchaser at such bank or banks located or authorized to do business in New York, as may be designated by such purchaser(s). Any applicable bank fees shall be the responsibility of such purchaser(s).

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 others, the Local Finance Law and the Education Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the District on March 9, 2021 authorizing the issuance of $11,131,596 serial bonds and bond anticipation notes to finance a capital improvement project consisting of the construction of alterations, renovations and improvements to the District's existing buildings and facilities (the "Capital Project") at a maximum estimated cost of $12,131,596 including the expenditure of $1,000,000 from the District's Capital Reserve Fund.

The proceeds of the Notes together with $116,596 available funds of the District will redeem $11,131,596 bond anticipation notes maturing on June 30, 2023 issued to provide original financing for the Capital Project.

NATURE OF THE OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

THE SCHOOL DISTRICT

General Information

The District, founded in 1890, covers the Towns of Le Roy, Stafford, Bergen and Pavilion, located in Genesee County, and the Town of Caledonia, located in Livingston County. The District covers approximately 40 square miles. The District is served by New York State Route 5, U.S. Route 20 and the New York State Thruway. Bus service is available in the Village of Le Roy, with rail and air transportation available in Rochester and Buffalo.

Although the District is primarily rural in nature, only a small percentage of its residents are employed in agriculture. Major employers of District residents include Genesee County, United Memorial Medical Center, Batavia City School District, Le Roy Central School District and Lapp Insulators LLC. Residents also commute to Rochester for employment.

Water and sewer services are provided by the Monroe County Water Authority, although some residents have private wells and septic systems. Electricity is provided by the National Grid Corporation and natural gas by Rochester Gas and Electric Corporation. Telephone service is provided by Frontier Communications of Rochester. Police protection is provided by the Village of Le Roy, supplemented by each County Sheriffs' Departments and the New York State Police. Various volunteer organizations provide ambulance service and fire protection.

The District provides public education for grades K-12, although a small portion of the school age students attend a local parochial school. Higher educational opportunities are available at the nearby Genesee Community College and at the many colleges and universities in the Rochester and Buffalo areas.

District residents are afforded all the usual commercial services, primarily in the Village of Le Roy, and many recreational facilities are available nearby in the Finger Lakes Region and at Letchworth State Park.

Source: District Officials.

District Population

The 2021 estimated population of the District is 8,154. (Source: U.S. Census Bureau, 2017-2021 American Community Survey data)

Larger Employers

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

Name	Type	Employees
Genesee County	Government	900
United Memorial Medical Center	Hospital	600
Batavia City School District	Public School	400
Le Roy Central School District	Public School	225
Lapp Insulator	Manufacturer	100

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
Towns of:						
Bergen	$ 20,932	$ 23,985	$ 32,368	$ 54,012	$ 63,409	$ 81,250
Le Roy	19,342	25,179	35,555	49,189	64,000	80,282
Stafford	19,775	30,425	31,386	54,667	75,347	92,639
Pavilion	20,254	26,862	33,583	51,750	69,911	91,538
Caledonia	19,611	25,486	34,963	50,607	72,262	102,125
Counties of:						
Genesee	18,498	24,323	32,477	47,771	60,127	80,082
Livingston	18,062	22,923	33,015	50,513	63,539	81,951
State of:						
New York	23,389	30,948	43,208	51,691	67,405	93,731

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

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

Unemployment Rate Statistics

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

Annual Average

	2016	2017	2018	2019	2020	2021	2022
Genesee County	4.7%	4.7%	4.1%	3.7%	7.1%	4.3%	3.1%
Livingston County	5.0%	5.0%	4.3%	4.1%	6.8%	4.4%	3.3%
New York State	4.9%	4.6%	4.1%	3.9%	9.8%	7.0%	4.3%

2022-23 Monthly Figures

	2022							**2023**				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Genesee County	2.9%	3.1%	3.1%	2.5%	2.4%	2.8%	3.1%	4.2%	3.8%	3.5%	2.3%	N/A
Livingston County	3.2%	3.4%	3.3%	2.8%	2.6%	2.9%	3.1%	4.5%	4.0%	3.5%	2.5%	N/A
New York State	4.1%	4.3%	4.2%	3.6%	3.7%	3.8%	3.8%	4.6%	4.5%	4.0%	3.7%	N/A

Note: Unemployment rates for the month of April 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 District Government

The Board of Education (the "Board"), 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.

Budgetary Procedures and Recent Budget Votes

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

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

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

If the proposed budget is not approved by the required margin, the Board 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 Votes

The budget for the 2022-23 fiscal year was approved by the qualified voters on May 17, 2022 by a vote of 474 yes to 137 no. The adopted budget included a total tax levy increase of 0.62%, which was below District's tax levy limit of 2.39% for the 2022-23 fiscal year.

The budget for the 2023-24 fiscal year was approved by the qualified voters on May 16, 2023 by a vote of 388 yes to 114 no. The adopted budget included a total tax levy increase of 0.0%, which was below District's tax levy limit of 4.73% for the 2023-24 fiscal year.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (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. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District does not invest in so-called “derivatives” including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2023-24 fiscal year, approximately 62.3% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

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

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

Federal aid received by the State.

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

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

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $1,960,876 in ARP funds and $1,123,038 in CRRSA funds. As of June 30, 2023, the District has received its ARP and CRRSA funds in full.

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2023-24 preliminary building aid ratios, the District expects to receive State building aid of approximately 91.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

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

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

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

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

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

State Aid Litigation

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 23,560,888	$ 13,232,866	56.16%
2018-2019	25,167,299	14,562,649	57.86
2019-2020	25,333,984	14,342,283	56.61
2020-2021	26,086,669	14,645,805	56.14
2021-2022	26,933,373	15,519,327	57.62
2022-2023 (Budgeted)	27,208,988 (1)	16,135,963	59.30
2023-2024 (Budgeted)	29,727,508 (2)	18,522,348	62.30

(1) Does not include $500,000 of appropriated fund balance.
(2) Does not include $500,000 of appropriated fund balance.

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

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Wolcott Street School and Clarence Lapp Building	K-3	945	1924, ’67, '93, 2003, 2008, 2014
Trigon Park Building	4-6	633	1908, ’93, 2003, 2008, 2014
Le Roy Jr/Sr High School	7-12	840	2003, 2008, 2014

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-19	1,240	2023-24	1,180
2019-20	1,230	2024-25	1,175
2020-21	1,218	2025-26	1,175
2021-22	1,186	2026-27	1,175
2022-23	1,188	2027-28	1,175

Source: District officials.

Employees

The District employs approximately 190 full-time and 23 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Number	Union	Contract Expiration Date
130	Le Roy Teachers' Association	June 30, 2022 (1)
45	Local 200, Service Employees' Union	June 30, 2025

(1) Currently under negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

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

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

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

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

Fiscal Year	ERS	TRS
2018-2019	$ 319,004	$ 921,987
2019-2020	309,348	807,526
2020-2021	321,245	868,214
2021-2022	285,895	884,978
2022-2023	318,933	920,824
2023-2024 (Budget)	310,573	1,006,739

Source: District officials.

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

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

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

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

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

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of June 1, 2020, the School District has established a TRS Reserve fund.

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

Other Post-Employment Benefits

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

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

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

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

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.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. 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
	$ 1,648,375	$ 1,673,934
Changes for the year:		
Service cost	48,201	57,619
Interest on total OPEB liability	39,662	37,773
Changes in Benefit Terms	-	103,767
Differences between expected and actual experience	(56,002)	262,494
Changes in Assumptions or other inputs	90,998	(129,570)
Benefit payments	(97,300)	(67,544)
Net Changes	$ 25,559	$ 264,539
Balance ending at:	June 30, 2021	June 30, 2022
	$ 1,673,934	**$ 1,938,473**

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

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

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

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2022 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX-D" to this Official Statement. Certain summary financial information of the District can also be found attached as Appendices to the Official Statement.

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

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

New York State Comptroller Reports of Examination

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

The State Comptroller's office released an audit report of the District on February 10, 2017. The objective was to evaluate the accuracy of payroll payments for the period July 1, 2015 through November 4, 2016. Key findings and recommendations of the audit report are summarized below:

<u>Key Findings:</u>

- The Board has not adopted written policies and District officials have not developed written procedures over the payroll function.

<u>Key Recommendations:</u>

- The Board and District officials should develop and adopt written payroll policies and procedures.

The District provided a complete response to the State Comptroller's office on February 1, 2017. A complete copy of the report and the District's response can be found via the website of the Office of the New York State Comptroller.

The State Comptroller's office released its most recent audit report of the District on September 30, 2022. The objective was to determine whether the District Board of Education and District officials properly established and used reserve funds and maintained them at reasonable levels for the period July 1, 2018 through June 10, 2022. Key findings and recommendations of the audit report are summarized below:

<u>Key Findings:</u>

Although the Board and District officials properly established reserve funds that have balances totaling $3 million, they did not comply with the District's reserve policy or transparently fund reserves. In addition, the Board did not take an active role in managing and overseeing reserve fund activity and did not transparently use or maintain all reserves at reasonable levels. The Board and District officials:

- Established an inadequate reserve policy. The District's reserve policy did not provide transparency or define the purpose, optimal funding level, and/or conditions under which reserves would be used and replenished.
- Could not demonstrate that $2 million held in four reserves was reasonable or needed. For example, as of June 30, 2021, the unemployment insurance reserve totaled $658,000, enough to pay average annual unemployment expenditures for more than 200 years, and the employee benefit accrued liability reserve is overfunded by $426,000.

Key Recommendations:

- Adopt a comprehensive written reserve fund policy and comply with the policy.
- Transparently fund reserves and maintain needed reserves at reasonable levels. District officials agreed with our recommendations and indicated they have initiated or planned to initiate corrective action.

The District provided a complete response to the State Comptroller's office on September 15, 2022. A complete copy of the report and the District's response can be found via the website of the Office of the New York State Comptroller.

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

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	0.0
2021	No Designation	3.3
2020	No Designation	20.0
2019	No Designation	20.0
2018	No Designation	10.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

Other Information

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

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

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

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Le Roy	$ 363,800,685	$ 370,609,121	$ 371,658,944	$ 373,093,615	$ 456,897,517
Stafford	59,104,239	60,588,984	65,049,376	65,572,722	78,847,931
Bergen	1,736,320	1,737,538	1,881,828	1,973,658	2,205,199
Pavilion	2,647,814	2,663,091	2,721,752	2,716,234	3,304,531
Caledonia	1,633,552	1,646,939	1,650,641	1,664,378	1,987,319
Total Assessed Values	$ 428,922,610	$ 437,245,673	$ 442,962,541	$ 445,020,607	$ 543,242,497
State Equalization Rates					
Towns of:					
Le Roy	100.00%	100.00%	96.00%	92.00%	83.00%
Stafford	100.00%	100.00%	100.00%	100.00%	100.00%
Bergen	100.00%	100.00%	100.00%	100.00%	100.00%
Pavilion	100.00%	100.00%	96.00%	92.00%	100.00%
Caledonia	100.00%	100.00%	98.00%	93.00%	100.00%
Total Taxable Full Valuation	$ 428,922,610	$ 437,245,673	$ 458,595,423	$ 477,825,000	$ 636,823,916

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Le Roy	$ 23.24	$ 23.47	$ 24.52	$ 24.10	$ 26.65
Stafford	23.24	23.47	23.54	22.18	19.63
Bergen	23.24	23.47	23.54	22.18	19.63
Pavilion	23.24	23.47	24.52	24.10	19.63
Caledonia	23.24	23.47	24.02	23.85	19.63

Source: District officials.

Tax Collection Procedure

Taxes are payable to the School District Tax Collector during the month of September without penalty. Payments made after September 30, carry a penalty of 2%. The last day of tax collection is October 31. Unpaid taxes are returned to the respective County Treasurers on November 15 for re-levy on respective County/Town tax rolls.

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

Tax Levy and Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 9,972,541	$ 10,261,242	$ 10,466,100	$ 10,597,025	$ 10,667,160
Amount Uncollected (1)	433,214	582,838	441,713	328,210	414,687
% Uncollected	4.34%	5.68%	4.22%	3.10%	3.89%

(1) The School District is assured 100% collections. See “Tax Collections Procedure” herein.

Source: District officials.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2017-2018	$ 23,560,888	$ 9,812,354	41.65%
2018-2019	25,167,299	9,997,740	39.73
2019-2020	25,333,984	10,295,435	40.64
2020-2021	26,086,669	10,496,643	40.24
2021-2022	26,933,373	10,622,410	39.44
2022-2023 (Budgeted)	27,208,988 (1)	10,691,025	39.29
2023-2024 (Budgeted)	29,727,508 (2)	10,695,160	35.98

(1) Does not include $500,000 of appropriated fund balance.
(2) Does not include $500,000 of appropriated fund balance.

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

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

Name	Type	Taxable Full Valuation
Niagara Mohawk dba National Grid	Utility	$ 17,357,312
Rochester Gas & Electric	Utility	7,653,434
Hy-Hope Farms Inc	Agriculture	5,722,100
Lapp Insulators LLC	Industry	4,260,900
Howitt Enterprises-Le Roy LLC	Housing	3,444,100
Leroy TK Owner	Shopping Center	3,300,000
Ten Munson Street Realty	Reality	3,000,000
Village Green Independent Living	Housing	2,390,000
Le Roy Meadows Assoc	Housing	2,250,000
Wright Associates, LP	Industry	1,699,100

The ten larger taxpayers listed above have a total taxable full valuation of $51,076,946 that represents 8.0% of the tax base of the District.

The District experiences the impact of tax certiorari filings on a regular basis. At this time, the level of tax certiorari filings are within acceptable norms and are not anticipated to have a material impact on the District's finances.

Source: District officials.

STAR – School Tax Exemption

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

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

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

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

The 2022-23 Enacted State Budget provided $2.2 billion in State funding for a new one-year 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 2023-24 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Le Roy	$ 67,560	$ 24,900	4/6/2023
Stafford	81,400	32,240	4/6/2023
Bergen	81,400	30,000	4/6/2023
Pavilion	81,400	31,340	4/6/2023
Caledonia	81,400	31,890	4/6/2023

$1,587,418 of the District's $10,597,025 school tax levy for the 2021-22 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2022.

$1,492,712 of the District's $10,663,025 school tax levy for the 2022-23 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2023.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is approximately: residential-58%, agricultural-10%, commercial-20%, industrial-8%, agricultural-2% and State forest lands-2%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $4,780 including State, County, Town, Village, School District and Fire District Taxes. Such amount was calculated without the State STAR exemption.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program began in 2016 and was fully phased in in 2019 and includes continued tax cap compliance

See "THE SCHOOL DISTRICT – Budgetary Procedures and Recent Budget Votes" herein for additional information regarding the District's Tax Levy.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30th:	2018	2019	2020	2021	2022
Bonds	$ 24,540,000	$ 23,180,000	$ 21,605,000	$ 19,975,000	$ 18,275,000
Bond Anticipation Notes	848,100	829,638	864,744	588,318	6,040,234
Total Debt Outstanding	$ 25,388,100	$ 24,009,638	$ 22,469,744	$ 20,563,318	$ 24,315,234

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 31, 2023:

Type of Indebtedness	Maturity		Amount
Bonds	2023-2033		$ 17,540,000
Bond Anticipation Notes			
Capital Project	June 30, 2023		11,131,596
Buses	May 10, 2024		988,992
		Total Indebtedness	$ 29,660,588

(1) To be fully redeemed and renewed with the proceeds of the Notes.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 31, 2023:

Full Valuation of Taxable Real Property			$ 636,823,916
Debt Limit 10% thereof			63,682,392
Inclusions:			
Bonds	$ 17,540,000		
Bonds Anticipation Notes	12,120,588		
Total Inclusions		$ 29,660,588	
Exclusions:			
Building Aid (2)	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 29,660,588
Net Debt-Contracting Margin			$ 34,021,804
The percent of debt contracting power exhausted is			46.58%

(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 91.1% 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 School District has not issued tax and/or revenue anticipation notes or budget or deficiency notes in the past five fiscal years, and does not reasonably expect to issue any such notes in the foreseeable future.

Capital Project Plans

On February 10, 2021 the qualified voters of the District approved a proposition authorizing a capital improvement project consisting of the construction of alterations, renovations and improvements to the District's existing buildings and facilities (the "Capital Project") at a maximum estimated cost of $12,131,596 including the expenditure of $1,000,000 from the District's Capital Reserve Fund. Thereafter, the District adopted a bond resolution on March 9, 2021 authorizing the financing of the Capital Project. To date, the District has issued $11,131,596 bond anticipation notes pursuant to this authorization, of which $11,131,596 bond anticipation notes are currently outstanding and will mature on June 30, 2023. The issuance of the Notes, less a $116,596 principal reduction, will renew a $11,015,000 portion of the Notes through June 2024.

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

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Genesee	12/31/2021	$ 20,185,000	$ 6,640,000	$ 13,545,000	14.17%	$ 1,919,327
Livingston	12/31/2021	35,653,677	3,390,536	32,263,141	0.04%	12,905
Town of:						
Bergen	12/31/2021	2,344,184	1,104,184	1,240,000	1.04%	12,896
Caledonia	12/31/2021	-	-	-	0.63%	-
Le Roy	12/31/2021	2,101,300	2,101,300	-	95.24%	-
Pavilion	12/31/2021	3,652,045	2,775,000	877,045	1.96%	17,190
Stafford	12/31/2021	2,948,857	2,948,857	-	38.31%	-
Village of:						
Le Roy	5/31/2022	5,004,685	-	5,004,685	100.00%	5,004,685
					Total:	$ 6,967,003

(1) Bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.
(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021 for the counties and towns and 2022 for the villages listed above.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 31, 2023:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 29,660,588	$ 3,637.55	4.66%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]	36,627,591	4,491.98	5.75

(a) The 2021 estimated population of the District is 8,154. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the District's 2022-23 tax roll is $636,823,916. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.

(d) Estimated net overlapping indebtedness is $6,967,003. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

The financial condition of the 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. (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.

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

Cybersecurity

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

COVID-19

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

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through the 2022-23 fiscal year or for the foreseeable future.

TAX MATTERS

In the opinion of Harris Beach PLLC, Pittsford, New York, Bond Counsel to the District, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for Federal income tax purposes. Bond counsel is of the further opinion that interest on the Notes is not an "item of tax preference" for purposes of the Federal alternative minimum tax on individuals. However, for tax years beginning after December 31, 2022, the Code imposes a federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds $1,000,000,000. Interest on tax-exempt obligations such as the Notes is included in the computation of a corporation's "adjusted financial statement income".

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the Arbitrage and Use of Proceeds Certificate of the District to be executed in connection with the issuance of the Notes, the District will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

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

The Notes will NOT be designated, nor deemed to be designated "qualified tax-exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Bond Counsel 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 and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to federal, State or local income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of Harris Beach PLLC, Pittsford, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, 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 " TAX LEVY LIMITATION LAW" herein); provided, however, that the enforceability (but not the validity) of such Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; and (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel's examination of law and review of the arbitrage and use of proceeds certificate (the "Arbitrage Certificate") to be delivered by the District in connection with the issuance of the Notes, pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in the Arbitrage Certificate are sufficient to support the conclusion that the Notes will not be "arbitrage bonds" within the meaning of such section, and no matters have come to Bond Counsel's attention which makes unreasonable or incorrect the representations made in such arbitrage certificate. Bond Counsel will express no opinion regarding other Federal or State income tax consequences arising with respect to the Notes.

Such legal opinions will also state that in the opinion of Bond Counsel (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The 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.

The District is subject to one Child Victims Act claim involving allegations against a now deceased former teacher. The District has identified the insurer for the period of the allegations in the complaint and believes that a general liability insurance policy through that insurer will provide coverage for damages, if any.

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 Notices of Certain Events, the form of which is attached hereto as “APPENDIX - C”.

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

RATINGS

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "A+" with a Stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

Statements in 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.

Harris Beach PLLC, Pittsford, 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 contact information is as follows: Brian Foeller, Business Administrator, Le Roy Central School District, 2-6 Trigon Park, Le Roy, New York 14482, Phone: (585) 768-8133, Fax: (585) 768-5505, Email: bfoeller@leroycsd.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

LE ROY CENTRAL SCHOOL DISTRICT

Dated: May 31, 2023

JACALYN WHITING
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	$ 2,706,812	$ 2,268,138	$ 3,091,421	$ 4,547,940	$ 5,607,567
Due from Other Funds	612,504	983,938	1,229,833	1,052,289	2,831,519
State and Federal Aid Receivable	707,104	972,116	411,464	487,003	313,455
Due from Other Governments	670,482	767,804	836,849	647,869	860,001
Accounts Receivables	29,842	11,399	3,343	18,324	5,333
TOTAL ASSETS	$ 4,726,744	$ 5,003,395	$ 5,572,910	$ 6,753,425	$ 9,617,875
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 341,659	$ 321,537	$ 275,723	$ 271,256	$ 310,357
Accrued Liabilities	99,142	34,760	85,295	103,007	108,060
Due to Other Governments	699	16,855	-	-	-
Due to Other Funds	399,452	-	-	180,714	1,917,968
Due to Retirement Systems	989,473	1,057,161	926,899	991,655	1,064,858
Revenue Anticipation Notes Payable	-	-	-	-	-
Deferred Revenue	6,456	6,455	47,130	13,093	19,188
TOTAL LIABILITIES	$ 1,836,881	$ 1,436,768	$ 1,335,047	$ 1,559,725	$ 3,420,431
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted:	1,457,455	1,856,741	2,617,369	2,980,715	3,156,019
Assigned	611,813	675,127	607,986	576,930	744,050
Unassigned	820,595	1,034,759	1,012,508	1,636,055	2,297,375
TOTAL FUND EQUITY	$ 2,889,863	$ 3,566,627	$ 4,237,863	$ 5,193,700	$ 6,197,444
TOTAL LIABILITIES and FUND EQUITY	$ 4,726,744	$ 5,003,395	$ 5,572,910	$ 6,753,425	$ 9,617,875

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	$ 9,774,783	$ 9,971,777	$ 10,262,869	$ 10,466,198	$ 10,593,999
Real Property Tax Items	37,571	25,963	32,566	30,445	28,411
Charges for Services	54,771	139,501	62,661	25,065	40,153
Use of Money & Property	3,501	15,467	49,238	25,524	22,216
Sale of Property and Compensation for Loss	17,462	6,816	24,714	58,773	49,616
Miscellaneous	352,969	294,404	336,081	505,605	453,657
Gifts and Donations	-	-	-	-	-
Revenues from State Sources	13,232,866	14,562,649	14,342,283	14,645,805	15,519,327
Revenues from Federal Sources	86,965	150,722	223,572	329,254	225,994
Total Revenues	$ 23,560,888	$ 25,167,299	$ 25,333,984	$ 26,086,669	$ 26,933,373
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	$ 23,560,888	$ 25,167,299	$ 25,333,984	$ 26,086,669	$ 26,933,373
EXPENDITURES					
General Support	$ 3,611,822	$ 3,960,975	$ 3,648,916	$ 4,000,660	$ 3,869,347
Instruction	12,012,030	12,097,650	12,874,421	12,520,199	12,196,003
Pupil Transportation	977,875	1,055,566	1,103,823	1,091,063	1,114,612
Community Services	-	-	-	-	-
Employee Benefits	4,525,659	4,618,398	4,586,677	4,646,068	4,739,712
Debt Service	-	-	-	-	-
Total Expenditures	$ 21,127,386	$ 21,732,589	$ 22,213,837	$ 22,257,990	$ 21,919,674
Other Uses:					
Interfund Transfers	2,580,414	2,757,946	2,448,911	2,872,842	4,009,955
Total Expenditures and Other Uses	$ 23,707,800	$ 24,490,535	$ 24,662,748	$ 25,130,832	$ 25,929,629
Excess (Deficit) Revenues Over Expenditures	(146,912)	676,764	671,236	955,837	1,003,744
FUND BALANCE					
Fund Balance - Beginning of Year	3,036,775	2,889,863	3,566,627	4,237,863	5,193,700
Prior Period Adjustments (net)	-	-	-	-	
Fund Balance - End of Year	$ 2,889,863	$ 3,566,627	$ 4,237,863	$ 5,193,700	$ 6,197,444

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 Original Budget	2022 Amended Budget	2022 Audited Actual	2023 Adopted Budget	2024 Adopted Budget
REVENUES					
Real Property Taxes	$ 10,597,025	$ 10,597,025	$ 10,593,999	$ 10,663,025	$ 10,667,160
Real Property Tax Items	28,200	28,200	28,411	28,000	28,000
Charges for Services	30,000	30,000	40,153	35,000	70,000
Use of Money & Property	27,000	27,000	22,216	87,000	180,000
Sale of Property and Compensation for Loss	10,000	10,000	49,616	10,000	10,000
Miscellaneous	205,000	205,000	453,657	150,000	150,000
Gifts and Donations	-	-	-		
Revenues from State Sources	15,217,063	15,217,063	15,519,327	16,135,963	18,522,348
Revenues from Federal Sources	100,000	100,000	225,994	100,000	100,000
Total Revenues	$ 26,214,288	$ 26,214,288	$ 26,933,373	$ 27,208,988	$ 29,727,508
Other Sources:					
Use of Reserves	155,000	155,000	-	-	-
Appropriated Fund Balance	500,000	576,930	-	500,000	500,000
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	$ 26,869,288	$ 26,946,218	$ 26,933,373	$ 27,708,988	$ 30,227,508
EXPENDITURES					
General Support	$ 4,072,951	$ 3,970,674	$ 3,869,347	$ 4,098,242	$ 4,356,236
Instruction	13,600,558	12,683,410	12,196,003	14,213,373	14,919,095
Pupil Transportation	1,289,872	1,317,713	1,114,612	1,242,377	1,380,074
Community Services	-	-	-	-	-
Employee Benefits	4,944,738	4,964,466	4,739,712	5,137,216	5,247,915
Debt Service				2,917,780	3,660,819
Total Expenditures	$ 23,908,119	$ 22,936,263	$ 21,919,674	$ 27,608,988	$ 29,564,139
Other Uses:					
Interfund Transfers	2,961,169	4,009,955	4,009,955	100,000	663,369
Total Expenditures and Other Uses	$ 26,869,288	$ 26,946,218	$ 25,929,629	$ 27,708,988	$ 30,227,508
Excess (Deficit) Revenues Over Expenditures	-	-	1,003,744	-	-
FUND BALANCE					
Fund Balance - Beginning of Year			5,193,700	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 6,197,444	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 1,785,000	$ 786,669	$ 2,571,669
2024	1,690,000	700,219	2,390,219
2025	1,540,000	614,719	2,154,719
2026	1,610,000	536,719	2,146,719
2027	1,680,000	464,544	2,144,544
2028	1,745,000	398,219	2,143,219
2029	1,800,000	328,481	2,128,481
2030	1,850,000	255,281	2,105,281
2031	1,935,000	178,559	2,113,559
2032	2,010,000	97,550	2,107,550
2033	630,000	31,500	661,500
TOTALS	$ 18,275,000	$ 4,392,459	$ 22,667,459

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014 Refunding of 2004 Series Bonds			2016 Refunding of 2009 Series Bonds			2018 DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	$ 735,000	$ 319,969	$ 1,054,969	$ 425,000	$ 41,450	$ 466,450	$ 625,000	$ 425,250	$ 1,050,250
2024	770,000	286,019	1,056,019	265,000	20,200	285,200	655,000	394,000	1,049,000
2025	810,000	246,519	1,056,519	35,000	6,950	41,950	695,000	361,250	1,056,250
2026	850,000	205,019	1,055,019	35,000	5,200	40,200	725,000	326,500	1,051,500
2027	885,000	170,494	1,055,494	35,000	3,800	38,800	760,000	290,250	1,050,250
2028	910,000	143,569	1,053,569	35,000	2,400	37,400	800,000	252,250	1,052,250
2029	940,000	115,231	1,055,231	25,000	1,000	26,000	835,000	212,250	1,047,250
2030	970,000	84,781	1,054,781	-	-	-	880,000	170,500	1,050,500
2031	1,005,000	52,059	1,057,059	-	-	-	930,000	126,500	1,056,500
2032	1,040,000	17,550	1,057,550	-	-	-	970,000	80,000	1,050,000
2033	-	-	-	-	-	-	630,000	31,500	661,500
TOTALS	$ 8,915,000	$ 1,641,209	$ 10,556,209	$ 855,000	$ 81,000	$ 936,000	$ 8,505,000	$ 2,670,250	$ 11,175,250

APPENDIX - C

UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LE ROY CENTRAL SCHOOL DISTRICT
GENESEE AND LIVINGSTON COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

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

AUDITED
BASIC FINANCIAL STATEMENTS

LE ROY CENTRAL SCHOOL DISTRICT
LE ROY, NEW YORK

JUNE 30, 2022

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FINANCIAL SECTION

FreedMaxick CPAs, P.C.

INDEPENDENT AUDITOR'S REPORT

The President and Members of the
Board of Education of
Le Roy Central School District
Le Roy, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Le Roy 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 accompanying 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards),* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As stated in Note 1, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases.* Our opinion will not be modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 GAAS 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 GAAS 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 our audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed on the table of contents, 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 supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, 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 supplementary information, as listed in the table of contents; is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 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.

Freed Maxick CPAs, P.C.

Batavia, New York
October 12, 2022

Management Discussion and Analysis
Le Roy Central School District
Fiscal Year ended June 30, 2022

This section of Le Roy Central School District's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

The District is a public school district serving students in grades Pre-Kindergarten through Twelve. The District was formed under New York State Public Education Law for the sole purpose of educating the children of the Le Roy Central School District area. The District is governed by an elected Board of Education and Board appointed management positions. The Board and Management is empowered by the voters of the District to provide the students with a quality education, in compliance with various local, State and Federal laws.

As further discussed in the overview of the District's financial statements, the District prepares its financial statements at levels that include, but also differ from the operating or budgetary basis that the District uses internally to fund and account for operations. The District provides the voters a proposed budget on an annual basis for its General Fund. The budget represents an authorization of expenditures of the General Fund. Management also estimates revenues for the District to determine the amount of property taxes that are required to be levied for the respective budget. The voters did approve the District's budget for the 2021-22 school year in the amount of $26,869,288. Also, the proposed 2022-23 school budget was approved by the District's voters at the first presentation with an increase in spending of $839,700 from the 2021-22 budget.

The District maintains other funds that contribute or are related to the education of the students of the District, such as a Special Aid Fund, School Lunch Fund and a Capital Projects Fund. The Special Aid and School Lunch funds do not have voter authorized budgets, in that they are "program" specific and the funding for the respective programs or activities should be predominantly self-sustaining. The budget for the Capital Projects Fund is authorized on a project by project basis, rather than at the fund level.

In accordance with New York State Public Education Law, the District maintains a fund balance in the General Fund of the District. By law, the District cannot retain more than 4% of the 2022-23 school year budget in its General Fund unassigned fund balance. At June 30, 2022, the amount in the unassigned fund balance was $2,297,375 or 8.29% of the ensuing year's General Fund budget. Additionally, New York State Law allows the District to establish and maintain various reserves. In an effort to establish financial position and reduce dramatic fluctuations in the District's tax rates, the District previously established the following reserves: Reserve for Employee Benefit Accrued Liability, Reserve for Insurance, Capital Reserve, and Reserve for Retirement.

The assets and deferred outflows of resources of the District exceed its liabilities and deferred inflows of resources at June 30, 2022 by $20,380,109 which constitutes the net position of the District. The net position of the District includes all of the governmental funds and the fixed asset value of the District's land, buildings and equipment (net of accumulated depreciation). At June 30, 2022, unrestricted net position amounted to $6,346,343. Other components of net position were net investment in capital assets of $10,877,747 and net position restricted for capital improvements of $1,000,000, restricted for employee benefit accrued liabilities of $751,575, restricted for insurance of $657,863 and restricted for retirement contributions of $746,580.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of Le Roy Central School District's Annual Financial Report

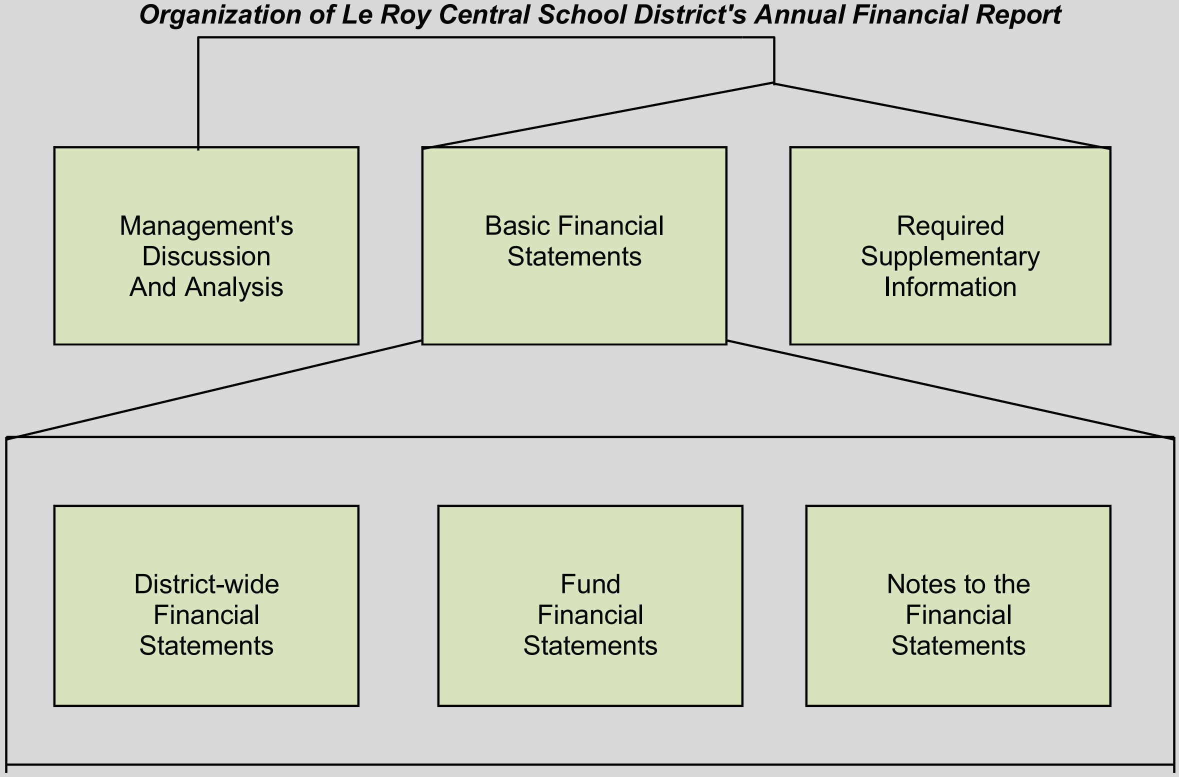

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2
Major Features of the District-wide and Fund Financial Statements

		Fund Financial Statements	
	District-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire District (except Fiduciary funds)	The activities of the District that are not proprietary or fiduciary.	Instances in which the District administers resources on behalf of someone else, such as student activities monies
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement Changes in Net Position-Fund Fiduciary
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term	Generally assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; generally no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out-flow information	All revenues and expenditures during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law.

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

The District has two types of funds:

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

- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

The largest component of the District's net position reflects its investment in capital assets. The District uses these capital assets to provide services to the students, and consequently these assets are not available for future spending. As previously discussed, the District's budget process and means of financing is done annually and is mostly supported by real property taxes and New York State Aid. Not only are the net position of the District predominantly without discretion as to their financial flexability and liquidity, so too is the District's ability to exercise significant discretion over its budget. The District's budget is very much fixed by provisions of employment contracts, transportation obligations and debt service obligations, leaving only a small portion of the annual budget to discretion.

In developing the 2022-23 school budget, the economic outlook for the upcoming school year looked to be holding and/or improving slightly. Due to the COVID-19 Pandemic and the overall uncertainity of the economy, the Federal Government approved several stimulus funding grants to assist public schools across the nation with recovering from the learing loss of remote school the previous year. The New York State Legislature did approve a state budget that included an increase in aid to all schools. Le Roy was fortunate to received a slightly larger than normal increase in state aid in 2022-23 school year due to the distribution formula being modified. With this increase in aid, Le Roy Central School was able to maintain its staffing levels and all educational programs for the 2022-23 school year.

The 2022-23 budget approved by the voters in May 2022 included an increase in expenditures of $839,700. This is a 3.1% increase from the 2021-22 budget. School management is anticipating a modist increase in health care and retirement contributions.

The allowable growth factor set by New York State to determine tax levy limits was 1.0037% for the 2022-23 school year.

Figure A-3

Condensed Statement of Net Assets
(in thousands of dollars)

	Governmental Activities and Total District		Total Percentage Change
	2022	2021	2021-2022
Current and other assets	$ 9,542	$ 8,397	13.64%
Capital assets not being depreciated	6,066	1,104	449.46%
Capital assets, net of accumulated depreciation	31,877	29,907	6.59%
TRS pension asset	9,746	-	-100.00%
Total assets	57,231	39,408	45.23%
Deferred outflow of resources - Pension	6,444	6,704	-3.88%
Deferred outflow of resources - OPEB	1,033	1,057	-2.27%
	7,477	7,761	-3.66%
Current liabilities	7,968	1,357	487.18%
Long term liabilities	23,875	26,689	-10.54%
Total liabilities	31,843	28,046	13.54%
Deferred inflow of resources - Pension	12,189	2,941	314.45%
Deferred inflow of resources - OPEB	296	235	25.96%
	12,485	3,176	293.10%
Invested in capital assets, net of related debt	10,878	8,565	27.01%
Restricted for:			
Capital projects	1,000	1,000	0.00%
Employee benefit accrued liability	751	806	-6.82%
Insurance	658	658	0.00%
Retirement contributions	747	516	44.77%
Unrestricted (deficit)	6,346	4,402	44.16%
Total net assets	$ 20,380	$ 15,947	27.80%

Figure A-4

Changes in Net Position
(in thousands of dollars)

	Governmental Activities and Total District		Total Percentage Change
	2022	2021	2021-2022
Revenues:			
Real property taxes	$ 10,594	$ 10,466	1.22%
Real property tax items	28	30	-6.67%
Charges for services	40	25	60.00%
Use of money and property	(10)	110	-109.09%
Other miscellaneous revenues	606	645	-6.05%
State and federal aid	19,537	16,713	16.90%
School lunch	110	36	205.56%
Total revenues	30,905	28,025	10.28%
Expenses:			
General support	3,950	4,647	-15.00%
Instruction	17,052	18,129	-5.94%
Pupil transportation	1,716	1,461	17.45%
Debt service	747	772	-3.24%
School lunch	847	582	45.53%
Depreciation	2,268	1,847	22.79%
Total expenses	26,580	27,438	-3.13%
Changes in net positions	$ 4,325	$ 587	636.80%

Governmental Activities

This section presents the cost of five major District activities: general support, instruction, pupil transportation, debt service and school lunch. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-5

Net Cost of Governmental Activities
(in thousands of dollars)

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2022	2021	2021-2022	2022	2021	2021-2022
General support	$ 3,950	$ 4,647	-15.00%	$ 3,933	$ 4,632	-15.09%
Instruction	17,052	18,129	-5.94%	9,712	13,372	-27.37%
Pupil transportation	1,716	1,461	17.45%	380	42	804.76%
Debt service - interest	747	772	-3.24%	747	772	-3.24%
School lunch	847	582	45.53%	(378)	(56)	-575.00%
Depreciation	2,268	1,847	22.79%	2,268	1,847	22.79%
Total	$ 26,580	$ 27,438	-3.13%	$ 16,662	$ 20,609	-19.15%

Financial Analysis of The District's Funds

At June 30, 2022, the District’s assigned and unasigned fund balance in the General Fund amounted to $3,041,425 of which $500,000 has been designated to reduce property taxes in the year ending June 30, 2021. The amount of the fund balance that is unassigned amounted to $2,297,375, which is 8.29% of the General Fund budgeted expenditures for the year ending June 30, 2023. The actions of the New York State Legislature over the past two years have made the District become very cautious in regards to the revenue stream coming from state aid. It is a priority of the District to maintain the level of educational programs as well as maintain a stable tax levy.

Figure A-6

Revenues, Expenditures and Changes in Fund Balances - Governmental Major Funds (in thousands of dollars)

	2022		
	Revenues	Expenditures	Fund Balances
General Fund	$ 26,933	$ 25,930	$ 6,197
Capital Projects Fund	2,090	7,781	(6,625)
	2021		
	Revenues	Expenditures	Fund Balances
General Fund	$ 26,087	$ 25,131	$ 5,194
Capital Projects Fund	822	892	(934)
Special Aid Fund	735	735	-
Debt Service Fund	2,749	2,857	1,058

General Fund Budgetary Highlights

The District's general fund budget must be voter approved every year or the school is subject to a contingent budget. By New York State Law, the budget must be presented to the voters on the third Tuesday of the month of May.

The original general fund budget for 2021-22 school year approved by the voters budgeted for an increase in expenditures in the amount of $426,814 from the previous school year. However, the 2021-22 amended budget shows an increase to the budget in the amount of $76,930 which was due to the authorized carryover of general fund appropriations from the 2020-21 school year. A carryover appropriation consists of items which were ordered in the 2020-21 school year but were not physically delivered until the 2021-22 school year.

There were no expenditures in excess of general fund spending as authorized by voters.

Capital Asset and Debt Administration

Capital Assets

For the 2021-22 school year, total expenditures in the Capital Projects Fund amounted to $7,384,290. The school utilized $396,947 of the expenditures for the purchase of school vehicles. Generally, school vehicles consist of buses, vans and cars. The balance of the expenditures were from reconstruction of the Elemenarty School truck loading dock that needed to be reapired for safety reasons.

The District began depreciating its assets during the year ended June 30, 2003 and with the implementation of GASB Statement No. 34 made changes to how assets of the District were valued and accounted for in the District's financial statements.

Figure A-7

Capital Assets Net of Depreciation
(in thousands of dollars)

	Governmental Activities and Total District		Percentage Change
	2022	2021	2021-2022
Land	$ 802	$ 802	0.00%
Construction in process	5,264	302	100.00%
Buildings and improvements	29,154	28,373	2.75%
Vehicles and equipment	1,578	1,534	2.87%
Leased equipment	1,145	-	100.00%
Total	$ 37,943	$ 31,011	22.35%

Long-Term Debt

The District's long-term debt consists of serial bonds with maturity dates through 2033. As a result of changes in the State Building Aid formula, Districts were given the opportunity to advance refund their existing debt so that actual debt payments would more closely match revised State Building Aid. The District elected not to refinance their existing debt and pay the difference between State Building Aid and debt repayments out of future budget provisions.

Figure A-8

Outstanding Long-Term Debt
(in thousands of dollars)

	Governmental Activities and Total District		Percentage Change
	2022	2021	2021-2022
Serial bonds payable	$ 18,275	$ 19,975	-8.51%
Leases bonds payable	934	-	100.00%
Unamortized premiums	1,772	1,948	-9.03%
Compensated absences	956	921	3.80%
Pension - TRS	-	1,484	-100.00%
Pension - ERS	-	7	-100.00%
Total OPEB liability	1,938	1,674	15.77%
	$ 23,875	$ 26,009	-8.20%

Short-Term Debt

The District's short-term debt consists of bond anticipation notes (BANs). BANs are issued with maturity dates of one year or less from the borrowing date. As a result of changes in State Transporation Aid for bus purchases, the District has stopped purchasing school buses outright and started financing bus purchases with BANs. As of June 30, 2022 the District has one outstanding Bond Anticipation Note (BAN) for the purchases of school buses. The BAN in the amount of $1,040,234 has a maturity date of May 12, 2023.

Factors Bearing on the District's Future

The factor that will always have the largest impact on the District and tax rates is the financial condition of New York State. The financial condition of the state determines the amount of monies given to the school districts in state aid. Typically, when finances are tighter the schools receive smaller increases and when finances are more plentiful, school districts receive more money. The post COVID-19 economy has been slow to rebound and iinflation has started to increase. The Federal Stumilus grants that were issued to school district throughout NYS have greatly improved the level of funding for school districts but have also forced school to forecast long range to a time when the grant money will be no longer available. When that time arises, schools will be forced to rely solely on NYS and taxpayer to funds to maintain programs that were started as a way to recapture lost time casued by the pandemic.

In May 2019, the voters of the school district approved the establishment of a capital reserve fund. The capital reserve fund was approved with a limit not to exceed $5,000,000. The reserve monies will be utilized to help offset the total borrowing needed to finance a future capital improvement project.

Contacting the District's Financial Management

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

LE ROY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	3,584,569
Cash and cash equivalents - restricted		3,433,954
Investments		135,353
Receivables		5,736
State and federal aid receivable		1,499,107
Due from other governments		860,001
Inventory		23,244
Pension assets, proportionate share		9,745,653
Capital assets not being depreciated/amortized		6,066,192
Capital assets, net of accumulated depreciation		31,877,310
Total assets		57,231,119
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows		6,443,760
Deferred OPEB outflows		1,033,284
Total deferred outflows of resources		7,477,044
LIABILITIES		
Accounts payable		312,707
Accrued liabilities		200,468
Retainage payable		322,470
Bond anticipation notes payable		6,040,234
Due to other governments		311
Due to retirement systems		1,072,522
Unearned revenue		19,188
Non-current liabilities:		
Due and payable within one year		2,366,164
Due and payable after one year		21,509,035
Total liabilities		31,843,099
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows		12,188,543
Deferred OPEB inflows		296,412
Total deferred inflows of resources		12,484,955
NET POSITION		
Net investment in capital assets		10,877,747
Restricted for:		
Capital		1,000,000
Employee benefit accrued liability		751,576
Insurance		657,863
Retirement contributions		746,580
Unrestricted		6,346,343
Total net position	$	20,380,109

See notes to basic financial statements.

LE ROY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Indirect Cost Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
General support	$ 3,572,525	$ 377,165	$ 16,520	$ -	$ (3,933,170)
Instruction	14,141,619	2,910,934	23,633	7,317,163	(9,711,757)
Pupil transportation	1,501,397	214,597	-	1,336,117	(379,877)
Interest	746,874	-	-	-	(746,874)
School lunch	762,271	84,311	110,186	1,114,516	378,120
Unallocated employee benefits	3,587,007	(3,587,007)	-	-	-
Unallocated depreciation	2,268,238	-	-	-	(2,268,238)
Total governmental activities	$ 26,579,931	$ -	$ 150,339	$ 9,767,796	(16,661,796)
General revenues:					
Real property taxes					10,593,999
Real property tax items					28,411
Use of money and property					(10,032)
State aid not restricted for a specific purpose					9,767,890
Other miscellaneous revenues					606,487
Total general revenues					20,986,755
Change in net position					4,324,959
Net position - beginning, as restated (Note 7)					16,055,150
Net position - ending					$ 20,380,109

See notes to basic financial statements.

LE ROY CENTRAL SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,451,548	$ 914,887	$ 218,134	$ 3,584,569
Cash and cash equivalents - restricted	3,156,019	277,935	-	3,433,954
Investments	-	-	135,353	135,353
Receivables	5,333	-	403	5,736
State and federal aid receivable	313,455	205,585	980,067	1,499,107
Due from other funds	2,831,519	-	1,956,385	4,787,904
Due from other governments	860,001	-	-	860,001
Inventory	-	-	23,244	23,244
Total assets	$ 9,617,875	$ 1,398,407	$ 3,313,586	$ 14,329,868
LIABILITIES				
Accounts payable	$ 310,357	$ 2,350	$ -	$ 312,707
Accrued liabilities	108,060	-	10,028	118,088
Bond anticipation notes payable	-	6,040,234	-	6,040,234
Due to other funds	1,917,968	1,980,688	889,248	4,787,904
Due to other governments	-	-	311	311
Due to retirement systems	1,064,858	-	7,664	1,072,522
Unearned revenue	19,188	-	-	19,188
Total liabilities	3,420,431	8,023,272	907,251	12,350,954
FUND BALANCES (DEFICIT)				
Nonspendable	-	-	23,244	23,244
Restricted	3,156,019	-	-	3,156,019
Assigned	744,050	-	2,383,091	3,127,141
Unassigned (deficit)	2,297,375	(6,624,865)	-	(4,327,490)
Total fund balances (deficit)	6,197,444	(6,624,865)	2,406,335	1,978,914
Total liabilities and fund balances (deficit)	$ 9,617,875	$ 1,398,407	$ 3,313,586	$ 14,329,868

See notes to basic financial statements.

LE ROY CENTRAL SCHOOL DISTRICT
RECONCILIATION FO THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Net Position (page 15) are different because:

Total fund balances - governmental funds (page 17)			$ 1,978,914
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation/amortization			37,943,502
Long-term liabilities and assets are not due and payable in the current period and therefore are not reported in the funds:			
	Serial bonds payable	$ (18,275,000)	
	Leases payable	(933,769)	
	Unamortized premium payable	(1,772,217)	
	Retainage payable	(322,470)	
	Compensated absences liability	(955,740)	
	Total OPEB liability	(1,938,473)	
	TRS pension asset	9,200,131	
	ERS pension asset	545,522	
			(14,452,016)
Interest is accrued and reported in the district-wide Statement of Net Position but not on the fund basis balance sheet because it is not due and payable in the current period.			(82,380)
Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:			
	Net OPEB deferred outflows and inflows of resources	$ 736,872	
	Net pension deferred outflows and inflows of resources	(5,744,783)	
			(5,007,911)
Net position of governmental activities			$ 20,380,109

See notes to basic financial statements.

LE ROY CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes	$ 10,593,999	$ -	$ -	$ 10,593,999
Real property tax items	28,411	-	-	28,411
Charges for services	40,153	-	-	40,153
Use of money and property	22,216	-	11,667	33,883
Loss on investments	-	-	(43,915)	(43,915)
Sale of property and compensation for loss	49,616	-	-	49,616
Miscellaneous local sources	453,657	-	65,882	519,539
State sources	15,519,327	205,585	231,665	15,956,577
Federal sources	225,994	-	3,353,115	3,579,109
School lunch	-	-	110,186	110,186
Total revenues	26,933,373	205,585	3,728,600	30,867,558
EXPENDITURES				
Current:				
General support	3,869,347	-	97,900	3,967,247
Instruction	12,196,003	-	1,861,438	14,057,441
Pupil transportation	1,114,612	-	58,266	1,172,878
School lunch	-	-	762,271	762,271
Employee benefits	4,739,712	-	191,361	4,931,073
Scholarships	-	-	84,178	84,178
Debt service:				
Principal	-	-	1,700,000	1,700,000
Interest	-	-	865,541	865,541
Capital outlay:				
General support	-	7,452,718	-	7,452,718
Pupil transportation	-	328,519	-	328,519
Total expenditures	21,919,674	7,781,237	5,620,955	35,321,866

See notes to basic financial statements.

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Excess (deficit) of revenues over expenditures	5,013,699	(7,575,652)	(1,892,355)	(4,454,308)
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	1,585,172	2,909,283	4,494,455
Interfund transfers out	(4,009,955)	-	(783,776)	(4,793,731)
Interfund transfer in - BANs redeemed	-	299,276	-	299,276
Premium on obligation	-	-	37,332	37,332
Total other financing sources (uses)	(4,009,955)	1,884,448	2,162,839	37,332
Net change in fund balances	1,003,744	(5,691,204)	270,484	(4,416,976)
Fund balances (deficit) - beginning	5,193,700	(933,661)	2,135,851	6,395,890
Fund balances (deficit) - ending	$ 6,197,444	$ (6,624,865)	$ 2,406,335	$ 1,978,914

See notes to basic financial statements.

LE ROY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)

Amounts reported for governmental activities in the Statement of Activities (page 16) are different because:

Net change in fund balances - total governmental funds (page 20)		$	(4,416,976)
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation/ amortization expense. This is the amount by which capital outlays ($10,747,476) excluding construction work in process ($2,334,625), exceeded depreciation/amortization expense (2,268,238) in the current period.			6,144,613
Long-term assets and liabilities are not due and payable in the current period and therefore are not reported in the funds. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.			
Repayment of serial bonds	$	1,700,000	
New leases		(632,996)	
Repayment of leases		379,327	
Amortization of premium		175,804	
Change in retainages payable		(322,470)	
Change in compensated absences		(34,852)	
Change in total OPEB liability		(264,539)	
Change in net TRS asset		10,684,100	
Change in net ERS asset		552,669	
			12,237,043
Interest on debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due and payable, and thus require current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.			(46,409)
Changes in deferred outflows and inflows reported in the Statement of Net Position during the measurement period between the District's contributions and its proportionate share to the total contributions subsequent to the measurement date do not provide for or require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in deferred outflows and inflows - OPEB	$	(85,634)	
Change in deferred outflows and inflows - TRS pension - proportionate share		(9,194,600)	
Change in deferred outflows and inflows - ERS pension - proportionate share		(313,078)	
			(9,593,312)
Change in net position of governmental activities		$	4,324,959

See notes to basic financial statements.

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2022

		Custodial Funds
ASSETS		
Cash and cash equivalents - restricted	$	80,667
Total assets		80,667
NET POSITION		
Restricted for extraclassroom activities		80,667
Total net position	$	80,667

See notes to basic financial statements.

LE ROY CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

		Custodial Funds
ADDITIONS		
Extraclassroom activities	$	155,860
DEDUCTIONS		
Extraclassroom activities		137,212
Change in net position		18,648
Net position - beginning		62,019
Net position - ending	$	80,667

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Le Roy Central School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. REPORTING ENTITY

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

The scope of activities included within the accompanying financial statements are those transactions which comprise District operations and are governed by, or significantly influenced by, the Board of Education. Essentially, the primary function of the District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function. The financial reporting entity includes all funds, account groups, functions and organizations over which the District officials exercise oversight responsibility.

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

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

1. INCLUDED IN THE REPORTING ENTITY

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

2. JOINT VENTURE

The District is a component school district of the Genesee Valley Educational Partnership (BOCES). The BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities.

BOCES is organized under Section 1950 of NYS 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 Section 1950 of New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of New York State General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school district enrollment as defined in Education Law Section 1950 (4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate. During the year ended June 30, 2022, the District was billed $4,103,489 for BOCES administrative and program costs. Financial statements for the BOCES are available from the BOCES administrative office at 80 Munson Street, Le Roy, New York 14482.

B. BASIS OF PRESENTATION

1. DISTRICT-WIDE STATEMENTS:

While separate district-wide and fund financial statements are presented, they are interrelated. 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 District 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 property taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include specific operating and discretionary (either operating or capital) grants.

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

2. FUND FINANCIAL STATEMENTS:

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category–governmental and fiduciary–are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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.

Other Fund Types:
Fiduciary funds are used to account for certain trust funds and other custodial funds. Custodial Funds report fiduciary activities not held in trust. These activities are not included in the district-wide financial statements because their resources do not belong to the District and are not available for use.

Custodial Funds – used for amounts held on behalf of others that are custodial in nature, neither of which are held in trust.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the district-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The district-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, grants and donations. Property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is appropriated by the State. Revenue from grants and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

The governmental fund statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within one year of the end of the current fiscal period with the exception of property taxes, which the period of availability is sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of long-term debt are reported as other financing sources.

Property taxes associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues in the current year. Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period of September through November. Uncollected real property taxes are subsequently enforced by the Counties of Genesee and Livingston, in which the District is located. Uncollected real property taxes transmitted to the Counties for enforcement are paid by the Counties to the District no later than the forthcoming April 1.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within one year of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within one year of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

1. CASH AND CASH EQUIVALENTS

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

2. RESTRICTED ASSETS

Certain assets are classified on the Balance Sheet and Statement of Net Position as restricted because their use is limited. Funds supporting Extraclassroom activities in the Custodial Funds are restricted specifically for those purposes. Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment, are classified as restricted assets and their use is limited by applicable bond covenants. Amounts to support fund balance restrictions are also reported as restricted.

3. RECEIVABLES

Receivables are carried at their net realizable value. Receivables are written-off as uncollectible after the likelihood of payment is considered remote by management. Generally accepted accounting principles require the establishment of an allowance for uncollectible receivables, however, no allowance for uncollectible receivables has been provided since management believes that such allowance would not be material.

4. INVENTORY

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

These assets are classified as nonspendable to signify that portion of fund balance that is not in a spendable form.

5. INTERFUND TRANSACTIONS

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

In the district-wide statements, 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 inter-fund 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 as a net balance based upon the right of legal offset.

Refer to Note 3.I. for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

6. CAPITAL ASSETS

Capital assets, which include property and equipment are reported in the district-wide financial statements.

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2004. For assets acquired prior to June 30, 2004, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair value at the time received. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	straight-line	50 years
Building improvements	5,000	straight-line	20 years
Site improvements	5,000	straight-line	20-50 years
Vehicles	5,000	straight-line	8 years
Furniture and equipment	5,000	straight-line	5 years

7. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has two items that qualify for reporting in this category. The deferred amounts are related to pension and other postemployment benefits (OPEB) differences between estimated and actual investment earnings, changes in assumptions and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. In the district-wide financial statements, the District reports deferred amounts related to pension and OPEB.

See details of deferred pension outflows and inflows in Note 3.E. and deferred OPEB outflows and inflows in Note 3.F.

8. UNEARNED REVENUE

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

9. VESTED EMPLOYEE BENEFITS

Compensated Absences

The District's labor agreements and rules and regulations permits employees to accumulate earned but unused sick and vacation leave. Upon retirement certain eligible employees qualify for paid medical and dental insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually. The liability for such leave is reported as incurred in the district-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

In the governmental fund statements only, the amount of matured vacation time is accrued within the General Fund based on expendable and available financial resources. Sick time is expensed on a pay-as-you-go basis.

10. ACCRUED LIABILITIES AND LONG-TERM LIABILITIES

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 full from current financial resources.

Claims and judgments, as well as, compensated absences that will be paid from governmental funds, are reported as a liability in the governmental 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 governmental fund financial statements when due.

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

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds statements when issued. In the district-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

11. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. The obligation of the District and its retirees to contribute to the cost of providing these benefits has been established pursuant to Board resolution and various collective bargaining agreements. The District does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* to pay OPEB benefits. Payments are budgeted annually without accrual and are based on the pay-as-you go method (see Note 3.F).

12. SHORT TERM DEBT

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 in the Capital Projects Fund when the proceeds are received. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date, if not completely repaid. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

13. NET POSITION FLOW ASSUMPTION

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

It is the District's policy that the District's Board of Education will assess the current financial condition of the District and then determine the order of application of expenditures to which restricted and unrestricted net position will be applied.

14. FUND BALANCE FLOW ASSUMPTIONS

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

It is the District's policy that the District's Board of Education will assess the current financial condition of the District and then determines the order of application of expenditures to which fund balance classifications will be charged.

15. FUND BALANCE POLICIES

Fund balance of the District's funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the Business Administrator to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

E. PROGRAM REVENUES

Amounts reported as *program revenues* include 1) charges to tax payers or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes and other internally dedicated resources are reported as general revenues rather than as program revenues.

F. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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 amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

G. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The primary objective of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments The District has applied the provisions of GASB Statement No. 87 retroactively by restating the financial statements. See Note 7 for additional information.

The District has evaluated the provisions of Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* Statement No. 92, *Omnibus 2020,* Statement No. 93, *Replacement of Interbank Offered Rates and* Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32* and determined that they have no significant impact on the District's financial statements.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the District, for their potential impact in future years.

- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending June 30, 2023.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 99, *Omnibus 2022,* which will be effective based on individual applications. Earlier implementation is encouraged and permitted.
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which will be effective for the year ending June 30, 2024.
- Statement No. 101, *Compensated Absences*, which will be effective for the year ending June 30, 2025.

NOTE 2 - STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

A. LEGAL COMPLIANCE BUDGETS

BUDGET POLICIES

The District's administration prepares a proposed budget for approval by the Board of Education for the general fund. The proposed appropriation budget is then approved by the voters within the District. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year. No supplemental appropriations occurred during the year.

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

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

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

B. DEFICIT FUND BALANCE

At June 30, 2022, the capital projects fund, a major fund, has a deficit fund balance of $6,624,865. The deficit is the result of the issuance of bond anticipation notes (BANs), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund Balance Sheet (rather than an inflow on the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit). When cash from BANs is spent, expenditures are reported and fund balance is reduced. Because BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs.

NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

The District's investment policies are governed by State statutes. In addition, the District has its own written investment policy. The District funds must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include demand accounts and certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits, time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

The District's aggregate bank balances were fully collateralized at June 30, 2022.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to contract to be reserved for various purposes. Restricted cash as of year end:

Restricted fund balance:		
Unemployment insurance	$	657,863
Retirement contributions		746,580
Capital		1,000,000
Employee benefit accrued liability		751,576
Unspent BAN proceeds		277,935
Restricted (Custodial Funds):		
Extraclassroom activities		80,667
	$	3,514,621

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

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

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

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

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

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

B. INVESTMENTS

The District has investments donated to scholarship funds. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market date by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodology used for investments measured at fair value:

Common Stocks: Valued at the net assets value (NAV) of shares held at year end. The NAV is the closing priced reported on the open market on which the securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

		Cost	Market Value June 30, 2022
4,348 shares	Bank of America Corporation	$ 29.00	$ 135,353

For the year ended June 30, 2022 the District recognized a net decrease in the value on investments of $43,915.

C. RECEIVABLES

Significant revenues accrued by the District at June 30, 2022, include the following:

State and Federal aid receivable:		
General Fund:		
State aid - excess cost aid	$	313,455
Special Aid Fund:		
State awards		126,203
Federal awards		675,396
Total		801,599
Capital Projects Fund:		
Smart School Bond Act funding		205,585
School Lunch Fund:		
State awards		5,175
Federal awards		173,293
Total		178,468
Total state and federal aid receivable	$	1,499,107
Due from other governments:		
General Fund:		
BOCES Aid	$	860,001

D. CAPITAL ASSETS

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

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 802,028	$ -	$ -	$ 802,028
Construction in progress	302,034	7,296,755	2,334,625	5,264,164
Total capital assets not being depreciated	1,104,062	7,296,755	2,334,625	6,066,192
Capital assets being depreciated:				
Buildings	48,605,281	2,410,281	-	51,015,562
Vehicles and equipment	4,775,283	407,444	272,681	4,910,046
Total capital assets, being depreciated	53,380,564	2,817,725	272,681	55,925,608
Less accumulated depreciation:				
Buildings	20,233,516	1,628,040	-	21,861,556
Vehicles and equipment	3,240,411	364,293	272,681	3,332,023
Total accumulated depreciation	23,473,927	1,992,333	272,681	25,193,579
Total capital assets being depreciated, net	29,906,637	825,392	-	30,732,029
Right to use assets:				
Equipment	1,307,823	632,996	76,041	1,864,778
Less accumulated amortization:				
Equipment	519,633	275,905	76,041	719,497
Total right to use assets being amortized, net	788,190	357,091	-	1,145,281
Governmental activities capital assets, net	$ 31,798,889	$ 8,479,238	$ 2,334,625	$ 37,943,502

Depreciation and amortization has not been allocated to the individual functions of the District operation as no allocation methodology has been established.

E. PENSION OBLIGATIONS

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

Provisions and Administration
The TRS 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. The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized

when due. Benefit payments are recognized when due and payable, and investments are recognized at fair value. TRS issues a publicly available financial report that contains financial statements and required supplementary information. 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 which can be found on the System's website at www.nystrs.org.

The ERS 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. The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable, and investments are recognized at fair value. ERS issues a publicly available financial report that contains financial statements and required supplementary information. That report, including information with regard to benefits provided, may be found at *www.osc.state.ny.us/retire/publications/index.php* or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31st .

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

At June 30, 2022, the District reported the following amount for its proportionate share of the net pension asset for each of the Systems. The net pension assets were measured as of June 30, 2021 for TRS and March 31, 2022 for ERS. The total pension amount used to calculate the net pension assets were determined by an actuarial valuation as of June 30, 2020 for TRS and April 1, 2021 for ERS. The District's proportionate share of the net pension assets were based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2021	March 31, 2022
Net pension (asset)/liability	$ (9,200,131)	$ (545,522)
District's portion of the Plan's total net pension (asset)/liability	0.053091%	0.006673%
Change in proportion since the prior measurement date	(0.000612)	(0.000504)
Pension expense at June 30, 2022	$ (545,270)	$ 85,955

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	Deferred Ouflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	$ 1,268,140	$ 41,313	$ 47,799	$ 53,586
Change of assumptions	3,026,115	910,416	535,880	15,362
Net difference between projected and actual earnings on pension plan investments	-	-	9,628,889	1,786,357
Changes in proportion and differences between the District's contributions and proportionate share of contributions	41,082	139,634	76,497	44,173
District's contributions subsequent to the measurement date	943,759	73,301	-	-
Total	$ 5,279,096	$ 1,164,664	$ 10,289,065	$ 1,899,478

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2023	$ (1,205,455)	$ (93,418)
2024	(1,402,308)	(171,554)
2025	(1,762,276)	(447,043)
2026	(2,326,757)	(96,100)
2027	434,452	-
Thereafter	308,616	-

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	TRS	ERS
Measurement date	June 30, 2021	March 31, 2022
Actuarial valuation date	June 30, 2020	April 1, 2021
Interest rate	6.95%	5.90%
Salary scale	1.95% - 5.18%	6.20%
Inflation rate	2.40%	2.70%
Cost of living adjustments	1.30%	1.40%

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

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

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
Measurement Date			June 30, 2021	March 31, 2022
Asset Class:				
Domestic equity	33.0 %	32.0 %	6.8 %	3.3 %
International equity	16.0	15.0	7.6	5.9
Private equity	8.0	10.0	10.0	6.5
Real estate	11.0	9.0	6.5	5.0
Global equities	4.0	-	7.1	-
Absolute return strategies	-	4.0	-	3.8
Opportunistic portfolio	-	3.0	-	4.1
Real estate debt	7.0	-	3.3	-
Real assets	-	3.0	-	5.6
Bond and mortgages	-	23.0	-	-
Cash/short term	1.0	1.0	-0.2	-1.0
Domestic fixed income securities	16.0	-	1.3	-
Global fixed income securities	2.0	-	0.8	-
Private debt	1.0	-	5.9	-
High yield income securities	1.0	-	3.8	-
Total	100.0 %	100.0 %		

Discount Rate

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

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

The following tables present the District's proportionate share of the net pension liability calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension (asset)/liability	$ (965,420)	$ (9,200,131)	$ (16,120,808)

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
Employer's proportionate share of the net pension (asset)/liability	$ 1,404,169	$ (545,522)	$ (2,176,345)

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset of the employers as of the respective measurement dates, were as follows:

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

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022, are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022, represent employee and employer contributions for the fiscal year ended June 30, 2022, based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $999,210.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022, represent the projected employer contribution for the period of April 1, 2022, through June 30, 2022, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $73,312.

F. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (OPEB)

Plan Description

The District administers the Le Roy Central School District Retiree Medical, Prescription Vision and Dental Plan (the Plan) as a single-employer defined benefit Other Post-employment Benefit Plan (OPEB). The Plan provides for continuation of medical, prescription vision and dental benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the plan members, employers and other entities are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement.

The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the District.

Employees Covered by Benefit Terms

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

Active employees not eligible to retire	124
Active employees, eligible to retire	50
Retired employees and spouses currently receiving benefit payments	34
Retiree spouses covered	14
Total	222

The District's total OPEB liability of $1,938,473 was measured as of March 31, 2021, using updated procedures to roll forward the total OPEB actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs

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

Inflation	2.44%
Salary Increases	3.44%, average, including inflation
Discount Rate	2.83%
Healthcare Cost Trend Rates	6.10% as of 2021, with an ultimate rate of 4.37% for 2075 and later years
Retirees' Share of Benefit-Related Costs	100% of future retirees eligible for an employer subsidy.

The discount rate was based on the Fidelity Municipal General Obligation AA 20-year Bond rate as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General and Safety, without separate Contingent Survivor mortality, fully generational using Scale MP-2021.

Retirement and termination assumptions reflect general published tables based on large scale retirement plan population data. The plan's estimated termination and retirement experience is then analyzed and the base table is adjusted accordingly, as necessary. No formal experience study is prepared for this plan.

Changes in the Total OPEB Liability

Balance at July 1, 2021	$	1,673,934
Changes for the year:		
Service cost		57,619
Interest		37,773
Changes of benefit terms		103,767
Differences between expected and actual experience		262,494
Changes in assumptions or other inputs		(129,570)
Benefit payments		(67,544)
Net changes		264,539
Balance at June 30, 2022	$	1,938,473

Changes of assumptions and other inputs reflect a change in the discount rate from 2.27% in 2021 to 2.83% in 2022, changes in the salary scale from 3.11% in 2021 to 3.44% in 2022, and changes in the ultimate healthcare cost trend form 4.08% in 2021 to 4.37% in 2022.

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

	1% Decrease (1.83%)	Discount Rate (2.83%)	1% Increase (3.83%)
Total OPEB Liability	$ 2,198,030	$ 1,938,473	$ 1,720,284

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

	1% Decrease (5.00% decreasing to 3.37%)	Healthcare Cost Trend Rates (6.00% decreasing to 4.37%)	1% Increase (7.00% decreasing to 5.37%)
Total OPEB Liability	$ 1,672,171	$ 1,938,473	$ 2,268,222

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 $410,278. At June 30, 2022, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 768,367	$ 136,555
Changes of assumptions	248,031	159,857
Contributions subsequent to the measurement date	16,886	-
Total	$ 1,033,284	$ 296,412

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

Year Ended June 30,	Amount
2023	$ 197,036
2024	197,036
2025	197,036
2026	82,285
2027	35,518
Thereafter	11,075

G. SHORT-TERM DEBT

The purpose of all of the short-time borrowings was to provide resources for bus purchases and various capital improvement projects. The form of financing used was bond anticipation notes (BANs). The amounts issued are accounted for in the Capital Projects Fund.

The schedule below details the changes in short-term capital borrowings during the year ended June 30, 2022:

	Balance 7/1/2021	Issues	Redeemed	Balance 6/30/2022
BAN maturing 5/13/22 at .52%	$ 588,318	$ -	$ 588,318	$ -
BAN maturing 5/13/22 at .42%	-	384,000	384,000	-
BAN maturing 7/29/22 at 1.00%	-	5,000,000	-	5,000,000
BAN maturing 5/12/23 at 2.50%	-	1,040,234	-	1,040,234
	$ 588,318	$ 6,424,234	$ 972,318	$ 6,040,234

H. LONG-TERM LIABILITIES

1. General Obligation Bonds

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

2. Serial Bonds

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

The following is a summary of maturities of indebtedness:

Description	Original Issue Date	Original Borrowing	Final Maturity	Interest Rates to Maturity	Outstanding Balance 6/30/2022
Governmental activities:					
Refunding Bonds	8/12/2014	$ 13,795,000	6/15/2032	1.75%-5.00%	$ 8,915,000
Refunding Bonds	11/15/2016	2,435,000	6/15/2029	3.00%-4.00%	855,000
DASNY Serial Bonds	6/7/2018	10,560,000	6/15/2033	5.00%	8,505,000
					$ 18,275,000

3. Leases

The District entered into lease agreements as lessee for financing the acquisition of one-to-one devices. The devices have a five-year estimated useful life. These lease agreements qualify as a capital leases for accounting purposes. The total of the District's leased assets are recorded at a cost of $1,864,778, less accumulated depreciation of $719,497.

4. Other Long-Term Liabilities

In addition to the above long-term debt, the District had a non-current liability for compensated absences and other postemployment benefits. (Note 3.F.)

5. Changes in Long-Term Liabilities

Changes in the District's long-term liabilities for the year ended June 30, 2022, are as follows:

	7/1/2021	Additions	Reductions	6/30/2022	One Year
Government activities:					
Bonds payable:					
Serial bonds	$ 19,975,000	$ -	$ 1,700,000	$ 18,275,000	$ 1,785,000
Unamortized premium	1,948,021	-	175,804	1,772,217	175,804
Total bonds payable	21,923,021	-	1,875,804	20,047,217	1,960,804
Other liabilites:					
Lease liabilities	680,100	632,996	379,327	933,769	309,787
Compensated absences	920,888	97,599	62,747	955,740	95,573
Net pension (asset) liability (TRS) - proportionate share *	1,483,969	-	1,483,969	-	-
Net pension liability (ERS) - proportionate share *	7,147	-	7,147	-	-
Total OPEB liability	1,673,934	461,653	197,114	1,938,473	-
Total long-term liabilities	$ 26,689,059	$ 1,192,248	$ 4,006,108	$ 23,875,199	$ 2,366,164

*Additions/reductions to net pension liability are shown net.

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences and postemployment benefit obligations. Payment of retirement contributions are typically from the funds in which the individuals are employed. Those operating funds include the General and School Lunch Funds.

The following is a summary of maturing debt service requirements for the District's serial bonds:

Year Ended June 30:	Principal	Interest	Premium
2023	$ 1,785,000	$ 786,669	$ 175,804
2024	1,690,000	700,219	175,804
2025	1,540,000	614,719	175,804
2026	1,610,000	536,719	175,804
2027	1,680,000	464,544	175,804
2028-2032	9,340,000	1,258,091	789,935
2033-2034	630,000	31,500	103,262
Total	$ 18,275,000	$ 4,392,461	$ 1,772,217

The following is a summary of maturing debt service requirements for the District's equipment leases:

Year Ended June 30:	Principal	Interest
2023	$ 309,787	23,604
2024	272,666	16,225
2025	220,476	9,887
2026	130,840	4,540
Total	$ 933,769	$ 54,256

As of June 30, 2022, the District had no authorized but unissued debt.

I. INTERFUND ACTIVITY

Interfund activity at June 30, 2022 are as follows:

	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Fund	$ 2,831,519	$ 1,917,968	$ 1,585,172	$ 4,009,955
Capital Projects Fund	-	1,980,688	-	-
BANs redeemed	-	-	299,276	-
Special Aid Fund	-	889,248	48,114	484,500
School Lunch Fund	360,738	-	-	-
Debt Service Fund	1,095,193	-	2,861,169	299,276
Miscellaneous Special Revenue Fund	500,454	-	-	-
Total	$ 4,787,904	$ 4,787,904	$ 4,793,731	$ 4,793,731

Interfund receivables and payables, other than between governmental activities and Custodial Funds, are eliminated on the Statement of Net Position.

Interfund receivables in the General Fund are comprised primarily of expenditures paid on behalf of the Special Aid and Capital Projects Funds. Interfund payables in the General Fund is comprised primarily of funds invested on behalf of the School Lunch, Debt Services and Miscellaneous Special Revenue Funds.

Interfund transfers consist primarily of budgetary transfers from the General Fund to the Debt Service Fund for current year debt service payments, the Capital Projects Fund for funding of the current year capital outlay project and to the Special Aid Fund for the summer school handicap program.

J. NET POSITION AND FUND BALANCE

1. Net Position
For district-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – Consists of capital assets net of accumulated depreciation and debt used to fund capital asset purchases.

Restricted net position – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislature. Restricted net position is consistent with restricted fund balance at June 30, 2022.

Unrestricted net position – Represents net position of the District not restricted for any project or other purpose.

2. Fund Balance

In the governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The District's governmental funds reports the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

Nonspendable – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balances maintained by District at June 30, 2022, include:

- *Inventory* - represents nonspendable inventory in the School Lunch Fund.

Restricted – represents amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or listed only with the consent of the resource providers.

- *Restricted for capital projects* – represents funds to be used for construction, reconstruction and/or acquisition of capital improvements and equipment.
- *Restricted for insurance* - represents funds to be used to pay for uninsured losses, claims or judgments.
- *Restricted for employee benefit accrued liability* - represents funds to be used to pay certain termination benefits.
- *Restricted for retirement contributions* - represents funds to be used to pay contributions to the TRS and ERS retirement systems.

Committed – represents amounts that can be used only for the purposes determined by the adoption of a resolution committing fund balance for a specified purpose by the District's Board prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose or the Board adopts another resolution to remove or revise the limitation. As of June 30, 2022, the Board had no committed fund balance.

Assigned – represents amounts that are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as either restricted nor committed.

- *Assigned for subsequent years' expenditures* – Represents available fund balance being appropriated to meet expenditure requirements in the 2023 fiscal year.
- *Assigned for encumbrances* – represents amounts related to unperformed contracts for goods and services.
- *Assigned for specific use* – Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignment's purpose is related to each fund's operations and represents amounts within funds that are not restricted or committed.

Unassigned – represents all amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Additionally, any deficit fund balance within other governmental funds would also be reported as unassigned.

As of June 30, 2022, fund balances were classified as follows:

	General	Capital Projects	Nonmajor Funds	Total
Nonspendable:				
Inventory	$ -	$ -	$ 23,244	$ 23,244
Restricted:				
Retirement contributions	746,580	-	-	746,580
Capital projects	1,000,000	-	-	1,000,000
Insurance	657,863	-	-	657,863
Employment benefit accrued liability	751,576	-	-	751,576
Assigned:				
Subsequent years' expenditures	500,000	-	-	500,000
Debt Service Fund	-	-	1,100,416	1,100,416
School Lunch Fund	-	-	631,039	631,039
Miscellaneous Special Revenue Fund	-	-	651,636	651,636
Encumbrances:				
General support	12,316	-		12,316
Instruction	148,535	-	-	148,535
Pupil transportation	83,199	-	-	83,199
Unassigned:				
Capital Projects Fund (deficit)	-	(6,624,865)	-	(6,624,865)
General Fund	2,297,375	-	-	2,297,375
Total	$ 6,197,444	$ (6,624,865)	$ 2,406,335	$ 1,978,914

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

NOTE 4 - RISK MANAGEMENT

A. GENERAL

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three fiscal years.

B. HEALTH INSURANCE PLAN

The District is allowed to participate and incur costs related to an employee health insurance plan (the Plan) sponsored by the Genesee Valley Educational Partnership and its component districts, which is a public entity risk pool under Article 5-G of General Municipal Law. The Plan's objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program.

Districts joining the Plan must remain members for a minimum of one year. A member may withdraw from the Plan after that time by written notification to be provided prior to March 1st of the respective year. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events.

Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. 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 (including future claim adjustment expenses) costs depend on complex factors, the process used in computing claim liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims 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 expense in the periods in which they occur.

As of June 30, 2021, the date of the most recent audited financial statements, the Plan accrued a liability for incurred but not reported and incurred but not paid healthcare claims. The accrual was based upon historical trend information. As of June 30, 2021, the Plan's net position after provision for liabilities was $24,822,128.

C. WORKERS' COMPENSATION PLAN

The District is a participant in the Genesee, Livingston, Steuben and Wyoming Workers' Compensation Plan (the Plan).

The Plan is a public entity risk pool which provides the District the opportunity to participate in a cooperative program for providing workers' compensation benefits to their employees by entering into an intermunicipal agreement pursuant to Article 5-G of General Municipal Law.

Membership is effective on the first day of the month following the Board's resolution to accept a new participant organization. Voluntary withdrawal from the Plan is effective only once annually on the last day of the plan year. Notice of intent to withdraw must be submitted in writing not less than 120 days prior to the end of the plan year (June 30). Premiums for coverage are determined annually by the Board of Directors after review of claim history information and consultation with various advisors. Participant organizations are billed in installments during the year.

No refunds or assessments, other than periodic premiums, are charged to the participant organizations, except in the case where the Plan's assets are not sufficient to meet liabilities. In that instance, a special assessment may be assessed against the participant organizations.

The Plan has established reserve liabilities which provide for expenditures to be made over the life of the claims. The reserve liabilities are based on estimates of the cost of claims (including future claim adjustment expenses) which have been reported but not settled, and of claims which have been incurred but not reported. Since actual claim costs depend on such complex factors as inflation and changes in doctrines of legal liability, the process used in estimating future claim liability does not result in an exact amount.

Estimated claim liability is calculated based on actuarial and statistical information which reflects recent settlements and other social and economic factors, as well as past experience. As the Plan continues to mature, the claim reserve liability should be developed to reflect the Plan's ultimate liability for claims incurred.

The plan was fully funded as of June 30, 2021, the date of the most recent financial statements, and its net assets amounted to $2,183,361.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

A. Contingencies

Grant Awards
The District participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District anticipates such amounts, if any, will be immaterial.

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

B. Construction Commitments

The District has active construction projects as of June 30, 2022. The projects include a district-wide school technology improvement project and asset preservation project. Outstanding construction commitments are estimated at $356,370.

C. Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were $244,050 recorded in the General Fund.

NOTE 6 – TAX ABATEMENTS

The Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively "the Act"), has three real property tax abatement agreements with various businesses in the District under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the District.

Generally, these agreements provide for a specific percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements. Should the property owner not comply with the policies and laws as set forth in each agreement, the PILOT will discontinue as outlined in each agreement.

As a result of these tax abatement agreements, for the year ended June 30, 2022, the District's total tax revenues were reduced by $4,022.

Copies of the agreements may be obtained from the Le Roy Central School District, 2-6 Trigon Park, Le Roy, NY 14482.

NOTE 7 – RESTATEMENT OF NET POSITION/FUND BALANCE

For the fiscal year ended June 30, 2022, the District implemented GASB 87, Leases. The implementation of Statement No. 87 resulted in the following restatement of net position in the statement of activities.

		Governmental Activities
Net position - beginning, as previously stated	$	15,947,060
GASB Statement No. 87 implementation		108,090
Net position - beginning, as restated	$	16,055,150

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 12, 2022, which is the date the financial statements are available for issuance and have determined there are no subsequent events that require disclosure under generally accepted accounting principles other than those noted above

REQUIRED SUPPLEMENTARY INFORMATION

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Amended Budget	Actual	Over (Under) Amended Budget
REVENUES				
Local sources:				
Real property taxes	$ 10,597,025	$ 10,597,025	$ 10,593,999	$ (3,026)
Real property tax items	28,200	28,200	28,411	211
Charges for services	30,000	30,000	40,153	10,153
Use of money and property	27,000	27,000	22,216	(4,784)
Sale of property and compensation for loss	10,000	10,000	49,616	39,616
Miscellaneous local sources	205,000	205,000	453,657	248,657
State sources:				
Basic formula	11,342,063	11,342,063	11,625,464	283,401
Lottery aid	1,600,000	1,600,000	1,606,380	6,380
BOCES	1,850,000	1,850,000	1,858,596	8,596
Other state aid	425,000	425,000	428,887	3,887
Federal sources	100,000	100,000	225,994	125,994
Total revenues	26,214,288	26,214,288	26,933,373	719,085
Other financing sources:				
Use of reserves	155,000	155,000	-	(155,000)
Appropriated fund balance	500,000	576,930	-	(576,930)
Total revenues and other financing sources	$ 26,869,288	$ 26,946,218	$ 26,933,373	$ (12,845)

The notes to the required supplementary information are an integral part of this schedule.

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General support:					
Board of education	$ 65,259	$ 66,592	$ 63,159	$ -	$ 3,433
Central administration	208,356	208,779	204,770	-	4,009
Finance	381,262	385,627	370,063	-	15,564
Staff	73,658	78,226	78,196	-	30
Central services	2,882,658	2,784,009	2,705,749	12,316	65,944
Special items	461,758	447,441	447,410	-	31
Instruction:					
Instruction, administration and improvements	867,738	787,415	757,449	-	29,966
Teaching - regular school	7,152,739	6,686,565	6,522,027	135,735	28,803
Programs for children with handicaps	3,317,087	3,048,117	3,027,945	1,020	19,152
Occupational education	489,402	602,087	602,087	-	-
Teaching - special schools	37,275	50,671	48,461	-	2,210
Instructional media	412,566	310,797	288,018	777	22,002
Pupil services	1,323,751	1,197,758	950,016	11,003	236,739
Pupil transportation	1,289,872	1,317,713	1,114,612	83,199	119,902
Employee benefits	4,944,738	4,964,466	4,739,712	-	224,754
Total expenditures	23,908,119	22,936,263	21,919,674	244,050	772,539
Other financing uses:					
Interfund transfers out	2,961,169	4,009,955	4,009,955	-	-
Total expenditures and other financing uses	$ 26,869,288	$ 26,946,218	$ 25,929,629	$ 244,050	$ 772,539
Net change in fund balance			$ 1,003,744		

The notes to the required supplementary information are an integral part of this schedule.

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY – EMPLOYEES' AND TEACHERS' RETIREMENT SYSTEMS
LAST TEN FISCAL YEARS*

	Year Ended June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Teachers' Retirement System (TRS)								
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
District's proportion of the net pension (asset) liability	0.0507250%	0.051825%	0.053311%	0.053085%	0.052509%	0.053182%	0.053703%	0.053091%
District's proportionate share of the net pension liability	$ 5,650,466	$ 5,382,964	$ 570,982	$ (403,497)	$ (949,498)	$ (1,381,673)	$ (9,200,131)	$ (9,200,131)
District's covered payroll	$ 7,938,934	$ 8,257,414	$ 8,226,410	$ 8,412,197	$ 8,715,230	$ 9,054,244	$ 9,208,226	$ 9,011,215
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	71.17%	65.19%	7.00%	-4.80%	-10.89%	-15.26%	-99.91%	-102.10%
Plan fiduciary net position as a percentage of the total pension (asset)/liability	111.50%	110.50%	99.01%	100.70%	101.50%	102.17%	97.75%	113.25%

	Year Ended June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Employees' Retirement System (ERS)								
Measurement date	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2021
District's proportion of the net pension liability	0.00801%	0.00781%	.007472%	0.007241%	0.006974%	0.006858%	0.007177%	0.006673%
District's proportionate share of the net pension (asset) liability	$ (270,443)	$ (1,252,945)	$ 702,056	$ 233,706	$ 494,106	$ 1,816,068	$ (545,522)	$ (545,522)
District's covered payroll	$ 2,421,033	$ 2,492,797	$ 2,716,168	$ 2,506,957	$ 2,459,273	$ 2,396,649	$ 2,460,274	$ 2,634,464
District's proportionate share of the net pension liability as a percentage of its covered payroll	-11.17%	-50.26%	29.00%	29.00%	20.09%	75.78%	-22.17%	-20.71%
Plan fiduciary net position as a percentage of the total pension liability	97.9%	90.7%	97.90%	98.20%	96.30%	86.39%	99.95%	103.65%

* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

The notes to the required supplementary information are an integral part of this schedule.

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS - EMPLOYEE'S AND TEACHERS' RETIREMENT SYSTEMS
LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Teachers' Retirement System (TRS)										
Contractually required contribution	$ 879,624	$ 1,217,596	$ 1,364,678	$ 1,094,933	$ 985,910	$ 838,204	$ 937,215	$ 807,514	$ 858,920	$ 943,830
Contributions in relation to the contractually required contribution	879,624	1,217,596	1,364,678	1,094,933	985,910	838,204	937,215	807,514	858,920	943,830
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,605,616	$ 7,938,934	$ 8,257,414	$ 8,226,410	$ 8,412,197	$ 8,715,230	$ 9,054,244	$ 9,208,226	$ 9,011,215	$ 9,871,614
Contributions as a percentage of covered payroll	11.57%	15.34%	16.53%	13.31%	11.72%	9.62%	10.35%	8.77%	9.53%	9.56%

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employees' Retirement System ERS)										
Contractually required contribution	$ 464,609	$ 453,946	$ 454,605	$ 429,026	$ 384,522	$ 378,518	$ 359,699	$ 336,110	$ 348,399	$ 326,992
Contributions in relation to the contractually required contribution	464,609	453,946	454,605	429,026	384,522	378,518	359,699	336,110	348,399	326,992
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,344,193	$ 2,365,461	$ 2,421,033	$ 2,492,797	$ 2,716,168	$ 2,592,387	$ 2,540,019	$ 2,472,910	$ 2,392,580	$ 2,577,736
Contributions as a percentage of covered payroll	19.82%	19.19%	18.78%	17.21%	14.16%	14.60%	14.16%	13.59%	14.56%	12.69%

The notes to the required supplementary information are an integral part of this schedule.

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	Year Ended June 30,				
	2018	2019	2020	2021	2022
Measurement Date	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Total OPEB Liability					
Service cost	$ 9,715	$ 15,208	$ 43,946	$ 48,201	$ 57,619
Interest	13,654	16,693	50,209	39,662	37,773
Changes in benefit terms	-	-	-	-	103,767
Differences between expected and actual experience	80,665	1,145,690	(167,634)	(56,002)	262,494
Changes of assumptions or other inputs	13,906	(112,993)	306,247	90,998	(129,570)
Benefit payments	(64,086)	(68,612)	(96,183)	(97,300)	(67,544)
Net change in total OPEB liability	53,854	995,986	136,585	25,559	264,539
Total OPEB liability - beginning	461,950	515,804	1,511,790	1,648,375	1,673,934
Total OPEB liability - ending	$ 515,804	$ 1,511,790	$ 1,648,375	$ 1,673,934	$ 1,938,473
Covered-employee payroll	Not Available	Not Available	Not Available	$ 9,499,203	$ 9,825,976
Total OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	17.62%	19.73%

* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

The notes to the required supplementary information are an integral part of this schedule.

NOTE 1 – BUDGETARY INFORMATION

BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current 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, and therefore, is the only fund presented in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions if the Board approves them because of a need that exists that was not determined at the time the budget was adopted.

The Capital Projects Fund is appropriated on a project-length basis. Budgets are established and used for individual Capital Project Fund 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.

Other special revenue funds and the Custodial Funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

NOTE 2 – FACTORS AFFECTING TRENDS IN OTHER POSTEMPLOYMENT BENEFITS AND PENSIONS

A. RETIREMENT SYSTEMS

The District's proportionate share of the net pension (asset)/liability of the pension systems is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. The discount rate in effect at each measurement date is as follows:

	TRS	ERS
Year ended June 30:		
2022	6.95%	5.90%
2021	7.10%	5.90%
2020	7.10%	6.80%
2019	7.25%	7.00%
2018	7.25%	7.00%
2017	7.50%	7.00%
2016	8.00%	7.50%

B. POSTEMPLOYMENT BENEFIT PLAN

The District's retiree health plans most significant factors and assumptions affecting the total OPEB liability are as follows:

	Discount Rate	Salary Scale	Inflation Rate	Ultimate Healthcare Cost Trend Rate
Year ended June 30:				
2022	2.83%	3.44%	2.44%	4.37%
2021	2.27%	3.11%	2.11%	4.08%
2020	2.48%	3.22%	2.20%	4.18%
2019	3.44%	3.36%	2.31%	4.32%

SUPPLEMENTARY INFORMATION

LE ROY CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds				
	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total
ASSETS					
Cash and cash equivalents	$ 87,649	$ 109,433	$ 15,829	$ 5,223	$ 218,134
Investments	-	-	135,353	-	135,353
Receivables	-	403	-	-	403
State and federal aid receivable	801,599	178,468	-	-	980,067
Due from other funds	-	360,738	500,454	1,095,193	1,956,385
Inventory	-	23,244	-	-	23,244
Total assets	$ 889,248	$ 672,286	$ 651,636	$ 1,100,416	$ 3,313,586
LIABILITIES					
Accrued liabilities	$ -	$ 10,028	$ -	$ -	$ 10,028
Due to other funds	889,248	-	-	-	889,248
Due to other governments	-	311	-	-	311
Due to retirement systems	-	7,664	-	-	7,664
Total liabilities	889,248	18,003	-	-	907,251
FUND BALANCES					
Nonspendable	-	23,244	-	-	23,244
Assigned	-	631,039	651,636	1,100,416	2,383,091
Total fund balances	-	654,283	651,636	1,100,416	2,406,335
Total liabilities and fund balances	$ 889,248	$ 672,286	$ 651,636	$ 1,100,416	$ 3,313,586

LE ROY CENTRAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total
REVENUES					
Use of money and property	$ -	$ 1,055	$ 1,818	$ 8,794	$ 11,667
Loss on investments	-	-	(43,915)	-	(43,915)
Miscellaneous local sources	-	268	65,614	-	65,882
State sources	212,255	19,410	-	-	231,665
Federal sources	2,348,785	1,004,330	-	-	3,353,115
School lunch	-	110,186	-	-	110,186
Total revenues	2,561,040	1,135,249	23,517	8,794	3,728,600
EXPENDITURES					
Current:					
General support	97,900	-	-	-	97,900
Instruction	1,861,438	-	-	-	1,861,438
Pupil transportation	58,266	-	-	-	58,266
School lunch	-	762,271	-	-	762,271
Employee benefits	107,050	84,311	-	-	191,361
Scholarships	-	-	84,178	-	84,178
Debt service:					
Principal	-	-	-	1,700,000	1,700,000
Interest	-	-	-	865,541	865,541
Total expenditures	2,124,654	846,582	84,178	2,565,541	5,620,955
Excess (deficit) of revenues over expenditures	436,386	288,667	(60,661)	(2,556,747)	(1,892,355)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	48,114	-	-	2,861,169	2,909,283
Interfund transfers out	(484,500)	-	-	(299,276)	(783,776)
Premium on obligation	-	-	-	37,332	37,332
Total other financing sources (uses)	(436,386)	-	-	2,599,225	2,162,839
Net change in fund balances	-	288,667	(60,661)	42,478	270,484
Fund balances - beginning	-	365,616	712,297	1,057,938	2,135,851
Fund balances - ending	$ -	$ 654,283	$ 651,636	$ 1,100,416	$ 2,406,335

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND AND REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2022

Adopted Budget		$ 26,869,288
Additions:		
Encumbrances from prior year		76,930
Amended/Final Budget		$ 26,946,218

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 voter approved expenditure budget		$ 27,708,988
Maximum allowed		1,108,360
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 744,050	
Unassigned fund balance	2,297,375	
Total unrestricted fund balance	3,041,425	
Less:		
Appropriated fund balance	500,000	
Encumbrances included in assigned fund balance	244,050	
Total adjustments	744,050	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,297,375
Actual percentage		8.29%

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

			Expenditures to Date				Methods of Financing					
Project Title	Original Appropriations	Revised Appropriations	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Transfers	Fund Balance 6/30/2022
Rite project	$ 12,748,440	$ 12,748,440	$ 12,853,852	$ -	$ 12,853,852	$ (105,412)	$ 12,108,910	$ -	$ 700,000	$ 12,808,910	$ -	$ (44,942)
Asset Preservation Project	12,131,596	12,131,596	302,034	7,091,170	7,393,204	4,738,392	-	-	1,485,172	1,485,172	-	(5,908,032)
SSBA Technology project	254,667	517,244	518,720	205,584	724,304	(207,060)	-	905,880	-	905,880	-	181,576
Library Roof Project	126,000	126,000	226,295	11,880	238,175	(112,175)	-	-	-	-	-	(238,175)
Emergency garage lift project 17-18	50,585	50,585	50,585	-	50,585	-	-	-	55,254	55,254	-	4,669
High school wall flashing 18-19	100,000	100,000	83,982	-	83,982	16,018	-	-	100,000	100,000	-	16,018
Bus Garage HVAC project	100,000	100,000	-	75,656	75,656	24,344			100,000	100,000	-	24,344
High school doors 20-21	100,000	100,000	100,000	-	100,000	-	-	-	100,000	100,000	-	-
Bus/vehical purchases												
2016-17	296,500	296,500	256,705	-	256,705	39,795	296,500	-	-	296,500	39,795	-
2017-18	313,000	265,000	55,906	-	55,906	209,094	216,358	-	-	216,358	209,094	(48,642)
2018-19	370,000	331,000	518,762	-	518,762	(187,762)	198,600	-	-	198,600	(187,762)	(132,400)
2019-20	368,000	308,000	303,816	-	303,816	4,184	123,200	-	-	123,200	(21,482)	(159,134)
2020-21	384,000	384,000	-	370,622	370,622	13,378	76,800			76,800	-	(293,822)
2021-22	423,000	423,000	-	26,325	26,325	396,675	-	-	-	-	-	(26,325)
	$ 27,765,788	$ 27,881,365	$ 15,270,657	$ 7,781,237	$ 23,051,894	$ 4,829,471	$ 13,020,368	$ 905,880	$ 2,540,426	$ 16,466,674	$ 39,645	$ (6,624,865)

LE ROY CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022

Capital assets, net	$	37,943,502
Less:		
Bonds payable		18,275,000
Lease payable		933,769
Unamortized bond premiums		1,772,217
BANs payable		6,040,234
Retainage payable		322,470
Add:		
Unspent debt proceeds		277,935
Net investment in capital assets	$	10,877,747

INTERNAL CONTROL AND COMPLIANCE

FreedMaxick CPAs, P.C.

**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***

INDEPENDENT AUDITOR'S REPORT

The President and Members of the
Board of Education of
Le Roy Central School District
Le Roy, New York

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 Le Roy 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 12, 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 of 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Batavia, New York
October 12, 2022