PRELIMINARY OFFICIAL STATEMENT DATED JUNE 2, 2023

NEW AND RENEWAL ISSUES **BOND ANTICIPATION NOTES**

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

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

$8,782,154

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

ORANGE COUNTY, NEW YORK

GENERAL OBLIGATIONS

$8,782,154 Bond Anticipation Notes, 2023 Series A

(the "Notes")

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

The Notes are general obligations of the Warwick Valley Central School District, Orange County, New York (the "School 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" and "NATURE OF OBLIGATION" herein.

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 School District Clerk. The Notes will be issued in denominations of $5,000 or multiples thereof, except for a necessary odd denomination which is or includes $7,154. 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, except for a necessary odd denomination which is or includes $7,154. 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 Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York City. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or at such place as may be agreed upon with the purchaser(s) on 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 by no later than 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School 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 SCHOOL DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, 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 SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX-C, MATERIAL EVENT NOTICES" HEREIN.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-23 BOARD OF EDUCATION

KEITH PARSONS
President

DORY MASEFIELD
Vice President

WILLIAM FANOS
DANIEL MAHONEY
JOHN GARCIA
THOMAS MASLANKA
ROBERT HOWE
SHARON DAVIS
LYNN LILLIAN

* * * * * * * * * * *

DR. DAVID LEACH
Superintendent

TIMOTHY HOLMES
Assistant Superintendent for Business

JENNIFER BENGEL
School District Treasurer

SUSAN LAROE
School District Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

Relating To

$8,782,154 Bond Anticipation Notes, 2023 Series A

This Official Statement, which includes the cover page, has been prepared by the Warwick Valley Central School District, Orange County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $8,782,154 principal amount of Bond Anticipation Notes, 2023 Series A (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 thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated June 29, 2023 and will mature June 28, 2024. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes.

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

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the Warwick Valley Central School District dated June 2, 2022 authorizing the issuance of $8,812,154 serial bonds to finance the reconstruction and construction of improvements to various School District facilities at a maximum estimated cost of $13,812,154 (the "Capital Project"). The District intends to utilize $5,000,000 capital reserve funds to finance a portion of the Capital Project.

The proceeds of the Notes together with $30,000 available funds of the District will redeem $4,000,000 bond anticipation notes maturing June 30, 2023 and provide $4,812,154 in new money for the Capital Project.

NATURE OF 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 INFORMATION - 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

In the event that the Notes are issued in registered book-entry form, the Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. 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 of the Notes bearing the same rate and CUSIP, 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, National Securities Clearing Corporation 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 Bond ("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 Bond documents. For example, Beneficial Owners of

Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

Source: The Depository Trust Company.

THE SCHOOL 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 SCHOOL 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 THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS, 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 ONLY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE SCHOOL 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 Under Certain Circumstances

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $7,154. Principal of and interest on the Notes will be payable, at the option of the School District at the office of the School District Clerk or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York. The Notes will remain not subject to redemption prior to their stated maturity date.

THE SCHOOL DISTRICT

General Information

The District includes all of the Village of Warwick, 57% of the Town of Warwick and 15% of the Town of Chester (together the "Towns"), for a total of approximately 81 square miles.

The District lies in the southeastern portion of Orange County approximately 50 miles northwest of New York City. Orange County is one of the fastest growing counties in New York State. The area is primarily residential and agricultural in nature with some industrial development. Agricultural production is relatively well divided among vegetable, fruit, dairy farming and poultry raising. The Warwick area is rapidly becoming a suburban-like residential community close to the environs of New York City and central New Jersey, and located in the midst of the economic development occurring in the Mid-Hudson region.

Much of the District's growth and its potential for further development can be attributed to the creation of a network of State, County and local roads which links the District ever closer to the urban areas to the south. Orange County provides one of the largest land reservoirs for the expansion of the New York-New Jersey metropolitan region.

The District is just east of the area designed as the Delaware Water Gap National Recreation area. This area was created by an act passed on September 1, 1965. The United States Department of Interior estimates that 10 million people will visit this recreation area each year.

The Conrail Railroad traverses the District to provide business and industry with high-speed access to the various metropolitan areas. Motor freight lines and bus passenger service to New York City is available. The Quickway, a limited access four lane divided highway portion of Route 17, facilitates rapid transportation to the New York State Thruway. Routes 94 and 17A provide access to other parts of New York and northern New Jersey. The District is located approximately 30 miles from Stewart International Airport.

The City of Middletown and the Town of Wallkill, located just west of the District, offer many facilities. These include Orange County Community College, several major retail centers, financial institutions, a central library and cultural center, entertainment, general hospital and related services; large employers, and professional services.

Source: District officials.

District Population

The 2021 estimated population of the District is 25,153. (Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.)

Note: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Larger Employers

Some of the major employers located in or in close proximity to the District are as follows:

Name	Type	Employees (Approx.)
Warwick Valley Central Schools	Public Education	715
St. Anthony's Community Hospital	Health Services	300
Alcatel Wire & Cable, Inc.	Insulated Cable & Wire	170
Shop Rite, Inc.	Retail Food Store	140
Webster Bank	Banking & Finance	105
Price Chopper	Retail Food Store	100
Warwick Valley Telephone, Inc.	Communication Services	90
Jones Chemical, Inc.	Sodium Hypochlorite	50
Sullivan Flotation Systems, Inc.	Floating Docks	35
Lycian Stage Lighting	Stage Lighting	34

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
Towns of:						
Chester	$ 25,900	$ 38,236	$ 50,547	$ 75,222	$ 100,899	$ 145,625
Warwick	25,409	38,033	49,452	71,074	96,641	129,863
County of:						
Orange	21,597	28,944	37,651	60,355	82,480	102,933
State of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

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

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

Unemployment Rate Statistics

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

Annual Average

	2015	2016	2017	2018	2019	2020	2021	2022
Orange County	4.7%	4.4%	4.5%	3.9%	3.6%	8.0%	4.7%	3.2%
New York State	5.2%	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
Orange County	3.2%	3.5%	3.5%	2.9%	2.8%	2.9%	2.8%	3.7%	3.4%	3.0%	2.4%	N/A
New York State	4.1%	4.3%	4.2%	3.6%	3.7%	3.8%	3.8%	4.6%	4.5%	4.0%	3.7%	N/A

Note: Unemployment rates for the month of May 2023 are unavailable as of the date of this Official Statement.

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

Form of School Government

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

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial management functions of the District are the responsibility of the Superintendent of Schools and the Business Administrator.

Budgetary Procedures and Recent Budget Votes

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 2,264 yes to 858 no. The adopted budget included a total tax levy decrease of 0.37%, which within the District's maximum allowable Tax Cap of –0.37% for the 2022-23 fiscal year.

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 2,578 yes to 999 no. The adopted budget included a total tax levy increase of 3.49%, which within the District's maximum allowable Tax Cap of 4.47% 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.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value.

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.

State law and the District policy does not permit the District to enter into reverse repurchase agreements or make other derivative type investments.

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 33.6% 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 $2,569,751 in ARP funds and $3,754,153 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 70.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

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

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

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

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

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

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in 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 revenues of the District for each of the last five completed fiscal years and budgeted figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 90,972,454	$ 26,912,153	29.58%
2018-2019	91,576,179	25,918,642	28.30
2019-2020	93,993,850	26,355,011	28.04
2020-2021	97,259,131	27,029,182	27.81
2021-2022	97,526,186	27,578,668	28.28
2022-2023 (Budgeted)	99,254,239 (1)	30,904,472	31.14
2023-2024 (Budgeted)	106,705,179 (2)	35,897,941	33.64

(1) Does not include $2,475,000 of appropriated fund balance and reserves.
(2) Does not include $2,435,000 of appropriated fund balance and reserves.

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

School District Facilities

Name	Grades	Capacity	Year(s) Built
High School	9-12	1,531	1958, '65, '91, 2000
Middle School	5-8	1,206	1974, '98
Park Avenue	K-4	355	1929, '91
Kings Elementary (1)	K-4	432	1965, '91
Pine Island (2)	K-4	372	1928, '57, '69, 2000
Sanfordville	K-4	864	2000

(1) Due to declines in enrollment which are expected to continue for the foreseeable future, the Board of Education voted to close Kings Elementary School at the end of the 2012-13 school year and currently rents the building space.
(2) The District closed this building in 2010 and currently rents the building space. Closing of the building saved approximately $1.5 million in operating costs.

Note: The District currently has approximately 198 tuition students and could see up to 10 additional tuition students in the future. Tuition costs are approximately $11,846 per year.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-2019	3,564	2023-2024	3,581
2019-2020	3,570	2024-2025	3,585
2020-2021	3,578	2025-2026	3,599
2021-2022	3,640	2026-2027	3,578
2022-2023	3,728	2027-2028	3,560

Source: District officials.

Employees

The District currently employs 440 full and 291 part-time employees, with the following union representations:

Employees	Union Representation	Contract Expiration Date
403	Warwick Valley Support Staff Association	June 30, 2024
313	Warwick Valley Teachers' Association	June 30, 2026
15	Warwick Valley Administrators' Association	June 30, 2024

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.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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

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

Fiscal Year	ERS	TRS
2018-19	$ 1,313,769	$ 3,565,092
2019-20	1,402,279	2,936,422
2020-21	1,343,217	2,937,170
2021-22	1,355,268	3,422,755
2022-23	1,649,201	3,762,032
2022-23 (Budgeted)	1,708,317	3,930,842

Source: District officials.

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

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently has an early retirement incentive programs for its employees that are a part of the Teachers' Association, with nine employees participating in the 2019-20 school year.

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

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

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

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

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the "Stable Rate Pension Contribution Option"). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund at the June 10, 2019 Board of Education meeting.

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 will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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.

GASB 75 and OPEB. In 2015, the GASB released new accounting standards for public other postemployment 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 school districts to report 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 requires school districts to calculate and report a net other postemployment benefit 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 2020-21 and 2021-22 fiscal years, by source.

Balance beginning at:	July 1, 2020	July 1, 2021
	$ 194,846,842	$ 219,310,112
Changes for the year:		
Service cost	6,472,429	8,005,872
Interest	6,981,867	4,975,852
Differences between expected and actual experience	(2,813,161)	(523,407)
Changes in assumptions or other inputs	18,675,349	8,193,340
Benefit payments	(4,853,214)	(4,352,423)
Net Changes	$ 24,463,270	$ 16,299,234
Balance ending at:	**June 30, 2021**	**June 30, 2022**
	$ 219,310,112	**$ 235,609,346**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability, see "APPENDIX - E" 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 is attached hereto as "APPENDIX-E" 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 School District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released its most recent audit report of the District on September 20, 2019. The purpose of the audit was to determine whether the District procured professional services in accordance with Board policies and applicable statutory requirements. Key findings and recommendations from the report are summarized below:

Key Finding:

- District officials did not seek competition for professional services from four of the 12 professional service providers reviewed. These providers were paid $740,600 during the audit period.

Key Recommendations:

- Review and update the procurement policy to be sure it sets forth the expectations for the procurement of professional services.
- Ensure that the procurement policy requirement that professional services be procured using requests for proposals (RFPs) is followed.

The District provided a complete response to the State Comptroller's office on September 5, 2019. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

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

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	0.0
2020	No Designation	0.0
2019	No Designation	0.0
2018	No Designation	0.0

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

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:					
Chester	$ 198,123,807	$ 197,419,319	$ 197,612,079	$ 198,237,667	$ 200,399,289
Warwick	347,068,060	349,821,355	352,024,437	353,975,801	356,657,981
Total Assessed Values	$ 545,191,867	$ 547,240,674	$ 549,636,516	$ 552,213,468	$ 557,057,270
State Equalization Rates					
Towns of:					
Chester	59.00%	58.20%	54.73%	55.40%	48.19%
Warwick	14.10%	13.91%	13.53%	12.84%	10.85%
Taxable Full Valuations					
Towns of:					
Chester	$ 335,803,063	$ 339,208,452	$ 361,067,201	$ 357,829,724	$ 415,852,436
Warwick	2,461,475,603	2,514,891,121	2,601,806,630	2,756,820,880	3,287,170,332
Total Taxable Full Valuation	$ 2,797,278,666	$ 2,854,099,573	$ 2,962,873,831	$ 3,114,650,604	$ 3,703,022,768

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Chester	$ 38.08	$ 38.34	$ 39.38	$ 37.46	$ 36.91
Warwick	159.34	162.86	165.81	166.00	163.95

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the County for collection. The District receives this amount of uncollected taxes from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 61,287,490	$ 60,338,652	$ 62,211,496	$ 55,436,932	$ 65,991,830
Amount Uncollected (1)	2,203,420	2,051,274	1,793,456	1,826,571	N/A
% Uncollected	3.60%	3.40%	2.88%	3.29%	N/A

(1) As of the end of the local collection period. The Counties make the District whole prior to the District's fiscal year ending, thus assuring the District of 100% collections each year. See "Tax Collection 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 below completed fiscal years and budgeted figures comprised of Real Property Taxes and other Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes and Tax Items
2017-2018	$ 90,972,454	$ 54,196,337	59.57%
2018-2019	91,576,179	61,514,403	67.17
2019-2020	93,993,850	63,163,896	67.20
2020-2021	97,259,131	64,713,529	66.54
2021-2022	97,526,186	64,781,509	66.42
2022-2023 (Budgeted)	99,254,239 (1)	64,592,232	65.08
2023-2024 (Budgeted)	106,705,179 (2)	66,848,611	62.65

(1) Does not include $2,475,000 of appropriated fund balance and reserves.
(2) Does not include $2,435,000 of appropriated fund balance and reserves.

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

Ten Larger Taxpayers - 2022 Assessment Roll for 2022-23 Tax Roll

Name	Type	Taxable Assessed Valuation
Orange & Rockland Utilities Inc.	Utility	$ 4,980,986
UH US Warwick 2019 LLC	Commercial	1,663,535
Route 94 Owners LLC	Commercial	1,438,900
Warwick Valley Telephone Co	Commercial	861,217
Wadeson Ernest WJ 25%	Retail	595,900
Warwick Valley BBA LLC	Commercial	538,000
Warwick Valley Local Dev	Commercial	475,000
Hamling Philip	Commercial	381,900
Hubert John R	Commercial	380,700
Javic Management Corp	Farm	380,000

The ten larger taxpayers listed above have a total taxable assessed valuation of $11,696,138 which represents 2.1% of the taxable assessed base of the District.

There is currently a potential of $1 million in tax certiorari claims. The District has a tax certiorari reserve fund balance of $1,607,099 as of June 30, 2022. The District also maintains a $75,000-line item in the budget to cover any smaller claims. The District does not anticipate that any such claims will have a material adverse 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 makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

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

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

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Chester	$ 47,590	$ 18,020	4/6/2023
Warwick	10,720	4,070	4/6/2023

$3,667,732 of the District's $64,144,612 school tax levy for the 2021-22 fiscal year was exempted by the STAR Program. The District received all of such exempt taxes from the State on January, 2022.

$3,439,619 of the District's $63,785,871 school tax levy for the 2022-22 fiscal year was exempted by the STAR Program. The District received all of such exempt taxes from the State on January, 2023.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-75%, Commercial-20% and Industrial-5%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $3,100 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended) ("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 Bonds.

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

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

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2018	2019	2020	2021	2022
Bonds	$ 20,380,000	$ 22,235,000	$ 18,885,000	$ 21,875,000	$ 17,865,000
Bond Anticipation Notes	5,982,311	917,111	7,763,929	0	859,045
Other Debt [1]	9,087,557	8,746,580	7,872,094	7,182,477	6,528,488
Total Debt Outstanding:	$ 35,449,868	$ 31,898,691	$ 34,521,023	$ 29,057,477	$ 25,252,533

[1] Consists of installment debt, energy performance contract and other leases. See "Lease Obligations" herein.

Details of Outstanding Indebtedness

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

Type of Indebtedness	Maturity		Amount
Bonds	2023-2037		$ 17,635,000
Bond Anticipation Notes			
Capital Project	June 30, 2023		4,000,000 [1]
Purchase of Buses	July 21, 2023		889,367
		Total Indebtedness:	$ 22,524,367

[1] To be redeemed at maturity with proceeds of the Notes together with $30,000 available funds of the District.

Debt Statement Summary

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

Full Valuation of Taxable Real Property			$ 3,703,022,768
Debt Limit 10% thereof			370,302,277
Inclusions:			
Bonds	$ 17,635,000		
Bond Anticipation Notes	889,367		
Principal of the Notes	8,782,154		
Total Inclusions		$ 27,306,521	
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 27,306,521
Net Debt-Contracting Margin			$ 342,995,756
The percent of debt contracting power exhausted is			7.37%

(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 70.0% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

Note: The above debt statement summary does not include energy performance contracts or lease purchase agreements outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

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

Bonded Debt Service

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

Cash Flow Borrowings

The District has not issued any revenue or tax anticipation notes in the recent past and does not anticipate issuing either tax anticipation notes or revenue anticipation notes, nor budget or deficiency notes, in the foreseeable future.

Other Obligations

On June 26, 2013, the District entered into a lease purchase agreement in the principal amount of $3,975,156 to finance the cost of energy efficiency improvements over a 15-year period. The following is a schedule of future lease payments as of June 2, 2023:

Fiscal Year Ending	Principal	Interest
2023	$ 277,995	$ 49,714
2024	285,723	41,986
2025	293,666	34,043
2026	301,830	25,879
2027	310,221	17,488
2028	318,845	8,864
Total Payments	$ 1,788,280	$ 177,974

On August 17, 2017, the District entered into an energy performance contract with Bank of America Merrill Lynch in the principal amount of $5,733,030 to finance the cost of energy efficiency improvements over a 15-year period. The following is a schedule of future lease payments as of June 2, 2023.

Fiscal Year Ending	Principal	Interest
2024	$ 362,000	$ 99,301
2025	374,000	90,119
2026	385,000	80,651
2027	396,000	70,908
2028	408,000	60,878
2029-2033	2,236,000	142,764
Total Payments	$ 4,161,000	$ 544,621

On May 20, 2019, the District entered into a lease purchase agreement in the principal amount of $395,932 to finance various equipment over a 5-year period. The following is a schedule of future lease payments as of June 2, 2023:

Fiscal Year Ending	Principal	Interest
2024	$ 83,415	$ 3.996
Total Payments	$ 83,415	$ 3,996

Source: District officials.

Capital Project Plans

On December 2, 2021, the qualified voters of the District approved a $13,812,154 capital project for the reconstruction and construction improvements to various District facilities. The project will utilize $5,000,000 of Capital Reserve funds and $8,812,154 borrowed funds. The project will receive State building aid on the project and there will be no tax impact for District residents. To date the District has issued $4,000,000 bond anticipation notes pursuant to this authorization, of which $4,000,000 bond anticipation notes are currently outstanding and will mature on June 30, 2023. The issuance of the Notes, less a $30,000 principal reduction, will renew a $3,970,000 portion of the notes through June 2024 and provide $4,812,154 in new money for the capital project

Pending voter approval, the District typically issues bond anticipation notes on an annual basis to finance the purchase of buses and various transportation vehicles. On May 16, 2023 the qualified voters of the District approved a proposition authorizing the purchase of five (5) buses at a maximum cost of $830,000.

Other than the above-mentioned project, the District has no other capital projects approved or contemplated at this time

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Orange	12/31/2021	$ 256,390,000	$ 11,950,000	$ 244,440,000	8.13%	$ 19,872,972
Fire Districts of:						
Pine Island	12/31/2021	2,087,311	-	2,087,311	100.00%	2,087,311
Warwick	12/31/2021	5,487,869	1,190,903	4,296,966	100.00%	4,296,966
Town of:						
Chester	12/31/2021	6,550,000	1,552,500	4,997,500	22.94%	1,146,427
Warwick	12/31/2021	12,212,777	1,788,771	10,424,006	65.54%	6,831,894
Village of:						
Warwick	5/31/2022	-	-	-	100.00%	-
					Total:	$ 34,235,569

Notes:

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

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

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

Debt Ratios

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

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 27,306,521	$ 1,085.62	0.74%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	61,542,090	2,446.71	1.66%

(a) The 2021 estimated population of the District is 25,153. (See "District Population" herein.)

(b) The District's full value of taxable real estate for the District's 2022-23 tax roll is $3,703,022,768. (See "Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is $34,235,569. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

COVID-19

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

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

TAX MATTERS

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

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

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

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

LITIGATION

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

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the School District, threatened against or affecting the School District to restrain or enjoin 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 School District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the School District.

CONTINUING DISCLOSURE

In 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 a Continuing Disclosure Undertaking, a description of which is attached hereto as "APPENDIX – C, MATERIAL EVENT NOTICES".

Historical Continuing Disclosure Compliance

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

The District had failed to file notice of the incurrence of certain financial obligations in a timely manner. On May 20, 2019, the District entered into a lease agreement in the principal amount of $395,932 and on December 10, 2019, the District entered into an installment purchase contract in the principal amount of $71,110. The District filed an event notice on June 18, 2020 outlining details of the lease agreements and notice of its failure to file.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending 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 may result in a material event notification to be posted to EMMA and/or the provision of a supplement to the final Official Statement. (See "APPENDIX – C, MATERIAL EVENT NOTICES" herein.)

Moody's Investors Service ("Moody's") has assigned its rating of "Aa2" to the District's outstanding general obligation bonds. The rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from Moody's Investors Service, 99 Church Street - 9th Floor, New York, New York 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

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.

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

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

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

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

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

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

The District's contact information is as follows: Mr. Timothy Holmes, Assistant Superintendent for Business, District Offices, Sandforville Rd-West Street Ext., P.O. Box 595, Warwick, New York 10990, Phone: (845) 987-3000 Ext. 10521, Fax: (845) 987-8114, Email: tholmes@wvcsd.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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

Dated: June 2, 2023

KEITH PARSONS
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
ASSETS					
Unrestricted Cash	$ 8,604,699	$ 9,088,656	$ 10,203,975	$ 9,660,098	$ 10,714,974
Restricted Cash	9,308,304	11,214,977	13,725,874	18,961,013	14,051,096
Taxes Receivable	5	-	-	-	-
Due from Other Funds	1,666,820	1,340,835	1,639,217	2,424,937	1,780,039
Due from Other Governments	-	-	-	-	463,381
Due from Fiduciary Funds	-	-	-	-	340
State and Federal Aid Receivable	1,820,773	1,428,820	1,563,862	1,522,443	1,475,491
Leases Receivable	-	-	-	-	1,702,756
Other Receivables	77,249	57,047	30,792	15,364	96,017
TOTAL ASSETS	$ 21,477,850	$ 23,130,335	$ 27,163,720	$ 32,583,855	$ 30,284,094
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 63,684	$ 59,091	$ 169,494	$ 96,851	$ 200,921
Accrued Liabilities	462,184	499,926	575,739	725,823	703,916
Due to Fiduciary Funds	9,223	1,759	6,355	-	-
Due to Other Funds	239,147	617,678	680,624	585,073	248,170
Due to Teachers' Retirement System	3,393,654	3,698,459	3,178,059	3,391,889	3,808,830
Due to Employees' Retirement System	328,839	324,972	414,066	438,066	388,936
Other Liabilities	26,193	28,393	28,993	81,272	185,960
Due to other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	194,067
Deferred Revenues	-	-	-	-	1,615,335
TOTAL LIABILITIES	$ 4,522,924	$ 5,230,278	$ 5,053,330	$ 5,318,974	$ 7,346,135
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	9,308,304	11,214,977	13,725,874	18,961,013	14,051,096
Assigned	3,929,851	2,885,019	4,606,815	4,284,531	4,733,398
Unassigned	3,716,771	3,800,061	3,777,701	4,019,337	4,153,465
TOTAL FUND EQUITY	$ 16,954,926	$ 17,900,057	$ 22,110,390	$ 27,264,881	$ 22,937,959
TOTAL LIABILITIES and FUND EQUITY	$ 21,477,850	$ 23,130,335	$ 27,163,720	$ 32,583,855	$ 30,284,094

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	$ 54,196,337	$ 56,330,316	$ 58,714,147	$ 60,509,729	$ 60,846,287
Other Tax Items	5,546,836	5,184,087	4,449,749	4,203,800	3,935,223
Charges for Services	1,889,471	2,283,765	2,460,479	2,647,366	2,682,647
Use of Money & Property	816,949	864,410	780,085	592,535	722,019
Sale of Property and Compensation for Loss	449,159	205,112	294,759	424,070	235,978
Miscellaneous	822,950	690,558	529,440	1,501,153	847,499
Revenues from State Sources	26,912,153	25,918,642	26,355,011	27,029,181	27,522,356
Revenues from Federal Sources	57,448	95,467	260,180	281,297	458,370
Total Revenues	$ 90,691,303	$ 91,572,357	$ 93,843,850	$ 97,189,131	$ 97,250,379
Other Sources:					
Interfund Transfers	281,151	3,822	150,000	70,000	275,809
Total Revenues and Other Sources	$ 90,972,454	$ 91,576,179	$ 93,993,850	$ 97,259,131	$ 97,526,188
EXPENDITURES					
General Support	$ 8,448,155	$ 9,402,668	$ 8,237,908	$ 10,425,219	$ 9,008,057
Instruction	49,264,051	51,000,228	51,387,806	50,298,425	54,412,818
Pupil Transportation	3,829,802	3,777,598	3,527,867	3,935,570	4,696,623
Community Services	-	-	-	-	-
Employee Benefits	19,269,071	20,394,104	20,185,746	20,397,929	21,276,842
Debt Service	4,957,472	5,443,506	5,615,621	5,601,687	6,218,286
Total Expenditures	$ 85,768,551	$ 90,018,104	$ 88,954,948	$ 90,658,830	$ 95,612,626
Other Uses:					
Interfund Transfers	4,906,630	612,944	828,569	1,445,810	6,240,484
Total Expenditures and Other Uses	$ 90,675,181	$ 90,631,048	$ 89,783,517	$ 92,104,640	$ 101,853,110
Excess (Deficit) Revenues Over Expenditures	297,273	945,131	4,210,333	5,154,491	(4,326,922)
FUND BALANCE					
Fund Balance - Beginning of Year	16,657,653	16,954,926	17,900,057	22,110,390	27,264,881
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 16,954,926	$ 17,900,057	$ 22,110,390	$ 27,264,881	$ 22,937,959

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 Final Budget	2022 Audited Actual	2023 Adopted Budget	2024 Adopted Budget
REVENUES					
Real Property Taxes	$ 64,572,462	$ 64,572,462	$ 64,514,020	$ 64,334,840	$ 66,580,963
Other Tax Items	252,466	252,466	267,490	257,392	267,648
Charges for Services	2,699,755	2,776,744	2,682,646	2,449,432	2,389,844
Use of Money & Property	607,843	607,843	722,019	603,103	671,783
Sale of Property and Compensation for Loss	105,000	114,800	235,978	-	-
Miscellaneous	375,000	375,000	847,498	505,000	672,000
Revenues from State Sources	27,887,516	27,887,516	27,522,357	30,904,472	35,897,941
Revenues from Federal Sources	45,000	45,000	458,370	75,000	100,000
Total Revenues	$ 96,545,042	$ 96,631,831	$ 97,250,378	$ 99,129,239	$ 106,580,179
Other Sources:					
Appropriated Fund Balance & Reserves	4,834,525	10,789,536	-		
Interfund Transfers	125,000	125,000	275,809	125,000	125,000
Total Revenues and Other Sources	$ 101,504,567	$ 107,546,367	$ 97,526,187	$ 99,254,239	$ 106,705,179
EXPENDITURES					
General Support	$ 10,094,529	$ 11,635,842	$ 9,008,057	$ 9,021,105	$ 9,986,679
Instruction	57,912,107	56,842,397	54,412,820	59,891,171	64,302,445
Pupil Transportation	4,559,381	5,204,415	4,696,623	4,771,231	5,746,173
Community Services	20,500	20,500	-	-	-
Employee Benefits	22,891,864	21,703,031	21,276,842	23,682,719	24,962,365
Debt Service	5,886,186	5,921,186	6,218,285	4,062,013	3,635,017
Total Expenditures	$ 101,364,567	$ 101,327,371	$ 95,612,627	$ 101,428,239	$ 108,632,679
Other Uses:					
Interfund Transfers	140,000	6,218,996	6,240,483	301,000	507,500
Total Expenditures and Other Uses	$ 101,504,567	$ 107,546,367	$ 101,853,110	$ 101,729,239	$ 109,140,179
Excess (Deficit) Revenues Over Expenditures	-	-	(4,326,923)	(2,475,000)	(2,435,000)
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	27,264,881	2,475,000	2,435,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 22,937,958	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 2,225,000	$ 524,344	$ 2,749,344
2024	1,570,000	459,525	2,029,525
2025	1,600,000	424,400	2,024,400
2026	1,495,000	370,600	1,865,600
2027	1,480,000	321,050	1,801,050
2028	1,115,000	272,200	1,387,200
2029	1,145,000	237,350	1,382,350
2030	1,180,000	201,450	1,381,450
2031	1,210,000	164,150	1,374,150
2032	1,245,000	125,750	1,370,750
2033	955,000	93,150	1,048,150
2034	925,000	69,350	994,350
2035	900,000	46,550	946,550
2036	405,000	24,600	429,600
2037	415,000	12,450	427,450
TOTALS	$ 17,865,000	$ 3,346,919	$ 21,211,919

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Refunding of 2005 Series A Bonds Principal	Interest	Total
2023	$ 690,000	$ 34,500	$ 724,500
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
TOTALS	$ 690,000	$ 34,500	$ 724,500

Fiscal Year Ending June 30th	2016 Refunding of 2008 Bonds Principal	Interest	Total	2018 Capital Project Principal	Interest	Total
2023	$ 230,000	$ 196,850	$ 426,850	$ 325,000	$ 111,088	$ 436,088
2024	245,000	185,350	430,350	335,000	103,775	438,775
2025	255,000	173,100	428,100	345,000	95,400	440,400
2026	270,000	160,350	430,350	355,000	85,050	440,050
2027	280,000	146,850	426,850	365,000	74,400	439,400
2028	295,000	132,850	427,850	370,000	63,450	433,450
2029	305,000	118,100	423,100	385,000	52,350	437,350
2030	325,000	102,850	427,850	395,000	40,800	435,800
2031	340,000	86,600	426,600	400,000	28,950	428,950
2032	355,000	69,600	424,600	415,000	16,950	431,950
2033	370,000	58,950	428,950	100,000	4,500	104,500
2034	380,000	47,850	427,850	50,000	1,500	51,500
2035	395,000	36,450	431,450			
2036	405,000	24,600	429,600	-	-	-
2037	415,000	12,450	427,450	-	-	-
TOTALS	$ 4,865,000	$ 1,552,800	$ 6,417,800	$ 3,840,000	$ 678,213	$ 4,518,213

Fiscal Year Ending June 30th	2021 Refunding of 2013 Bonds Principal	Interest	Total	2021 Capital Project Principal	Interest	Total
2023	$ 525,000	$ 62,350	$ 587,350	$ 455,000	$ 119,556	$ 574,556
2024	530,000	57,100	587,100	460,000	113,300	573,300
2025	535,000	51,800	586,800	465,000	104,100	569,100
2026	400,000	30,400	430,400	470,000	94,800	564,800
2027	360,000	14,400	374,400	475,000	85,400	560,400
2028	-	-	-	450,000	75,900	525,900
2029	-	-	-	455,000	66,900	521,900
2030	-	-	-	460,000	57,800	517,800
2031	-	-	-	470,000	48,600	518,600
2032	-	-	-	475,000	39,200	514,200
2033	-	-	-	485,000	29,700	514,700
2034				495,000	20,000	515,000
2035	-	-	-	505,000	10,100	515,100
TOTALS	$ 2,350,000	$ 216,050	$ 2,566,050	$ 6,120,000	$ 865,356	$ 6,985,356

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the School 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 School 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 School 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 School District determines that any such other event is material with respect to the Note; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

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

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

The School 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 School District; provided that the School 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.

APPENDIX – D

FORM OF BOND COUNSEL'S OPINION

June 29, 2023

Warwick Valley Central School District
Orange County
State of New York

Re: Warwick Valley Central School District, Orange County, New York
$8,782,154 Bond Anticipation Notes, 2023 Series A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $8,782,154 Bond Anticipation Notes, 2023 Series A (the "Obligation"), of the Warwick Valley Central School District, Orange County, New York (the "Obligor"), dated June 29, 2023, numbered 1, of the denomination of $8,782,154, bearing interest at the rate of ___% per annum, payable at maturity, and maturing June 28, 2024.

We have examined:

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

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

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

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

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

In our opinion:

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

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

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

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

The Audited Financial Statements, including opinion, 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.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
JUNE 30, 2022
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Warwick Valley Central School District
Warwick, New York 10990

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Warwick Valley Central School District, as of June 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Warwick Valley Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Warwick Valley Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 4–14 and 66–70 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 Warwick Valley Central School District's basic financial statements. The supplemental schedules on pages 71-74 are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 71-74 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 3, 2022 on our consideration of the Warwick Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Warwick Valley Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Warwick Valley Central School District's internal control over financial reporting and compliance.

Nugent + Haeussler, P.C.

Montgomery, New York
October 3, 2022

Management Discussion and Analysis

Introductory Section

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

Financial Highlights

Overview of the Financial Statements

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

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

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

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

Overview of the Financial Statements (Continued)

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/ liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if applicable), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Statements

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

The two district-wide statements report the District's net position and how it has 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 nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

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

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

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

- Fiduciary Funds: The District is the trustee, or custodian, for assets that belong to others, such as the scholarship fund and the 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.

Management Discussion and Analysis
(Continued)

Financial Analysis of the District as a Whole

The District's net position at June 30, 2022 is a deficit of $107,254,842. This is a $441,386 decrease from last year's deficit net position of $106,813,456. The following table provides a summary of the District's net position:

Summary of Net Position

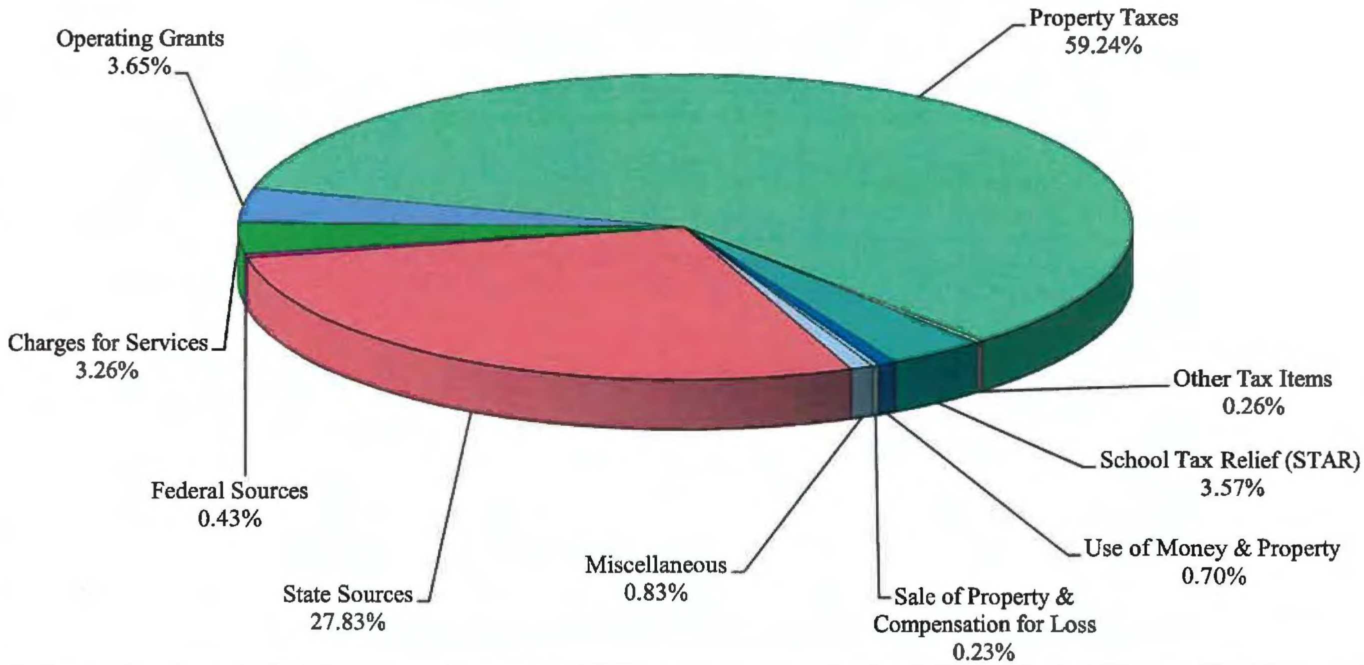
	School District Activities		
		As Restated	
	June 30, 2022	June 30, 2021	% Change
Current Assets	$ 36,597,275	$ 33,081,378	10.63%
Pension Asset	35,848,844	0	#DIV/0!
Capital Assets, Net	84,606,832	86,950,280	-2.70%
Deferred Outflows	59,064,098	57,930,132	1.96%
Total Assets and Deferred Outflows	216,117,049	177,961,790	21.44%
Current Liabilities	9,990,711	10,861,355	-8.02%
Pension Liability	0	5,435,402	-100.00%
Long-Term Debt Outstanding	258,119,530	245,354,460	5.20%
Deferred Inflows	55,261,651	23,124,029	138.98%
Total Liabilities and Deferred Inflows	323,371,891	284,775,246	13.55%
Net Position:			
Net Investment in Capital Assets	58,189,694	55,273,059	5.28%
Restricted	55,242,870	19,936,946	177.09%
Unrestricted	(220,687,406)	(182,023,461)	-21.24%
Total Net Position	$ (107,254,842)	$ (106,813,456)	-0.41%

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

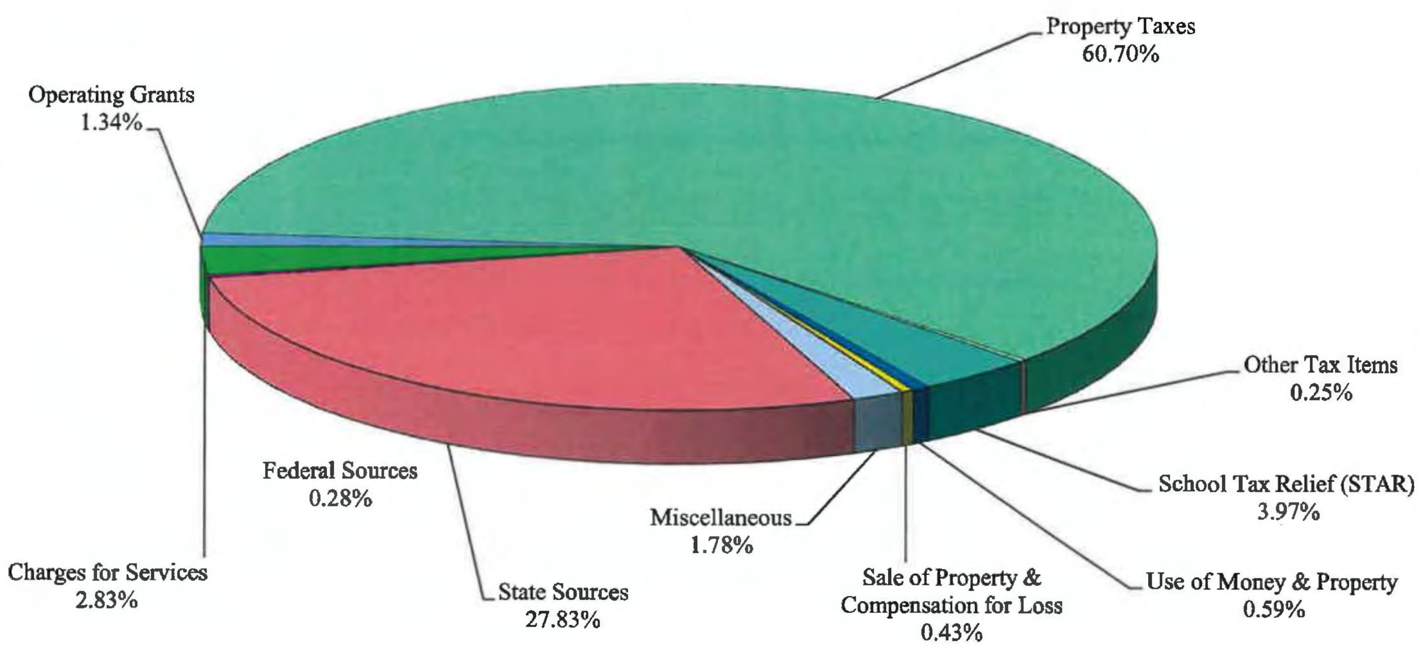
WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

	JUNE 30, 2022	%	JUNE 30, 2021	%	$ Change	% Change
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 3,347,583	3.26%	$ 2,818,223	2.83%	$ 529,360	18.78%
Operating Grants	3,747,696	3.65%	1,339,296	1.34%	2,408,400	179.83%
GENERAL REVENUES:						
Property Taxes	60,846,287	59.24%	60,509,729	60.70%	336,558	0.56%
Other Tax Items	267,490	0.26%	247,107	0.25%	20,383	8.25%
School Tax Relief (STAR)	3,667,733	3.57%	3,956,693	3.97%	(288,960)	-7.30%
Use of Money & Property	722,211	0.70%	592,732	0.59%	129,479	21.84%
Sale of Property & Compensation for Loss	235,978	0.23%	424,070	0.43%	(188,092)	-44.35%
Miscellaneous	849,122	0.83%	1,778,352	1.78%	(929,230)	-52.25%
State Sources	28,585,167	27.83%	27,742,924	27.83%	842,243	3.04%
Federal Sources	442,674	0.43%	275,665	0.28%	167,009	60.58%
TOTAL REVENUES	102,711,941	100.00%	99,684,791	100.00%	3,027,150	3.04%
EXPENSES						
General Support	7,967,591	7.72%	8,184,485	8.02%	(216,894)	-2.65%
Instruction	57,957,076	56.19%	51,622,826	50.60%	6,334,250	12.27%
Pupil Transportation	4,696,623	4.55%	3,935,570	3.86%	761,053	19.34%
Employee Benefits	26,063,126	25.27%	32,782,517	32.14%	(6,719,391)	-20.50%
Debt Service Interest	536,405	0.52%	709,898	0.70%	(173,493)	-24.44%
Depreciation and Amortization	4,947,639	4.80%	4,131,748	4.05%	815,891	19.75%
School Lunch Program	984,867	0.95%	644,714	0.63%	340,153	52.76%
TOTAL EXPENSES	103,153,327	100.00%	102,011,758	100.00%	1,141,569	1.12%
CHANGE IN NET POSITION	$ (441,386)		$ (2,326,967)		$ 1,885,581	

SOURCES OF REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

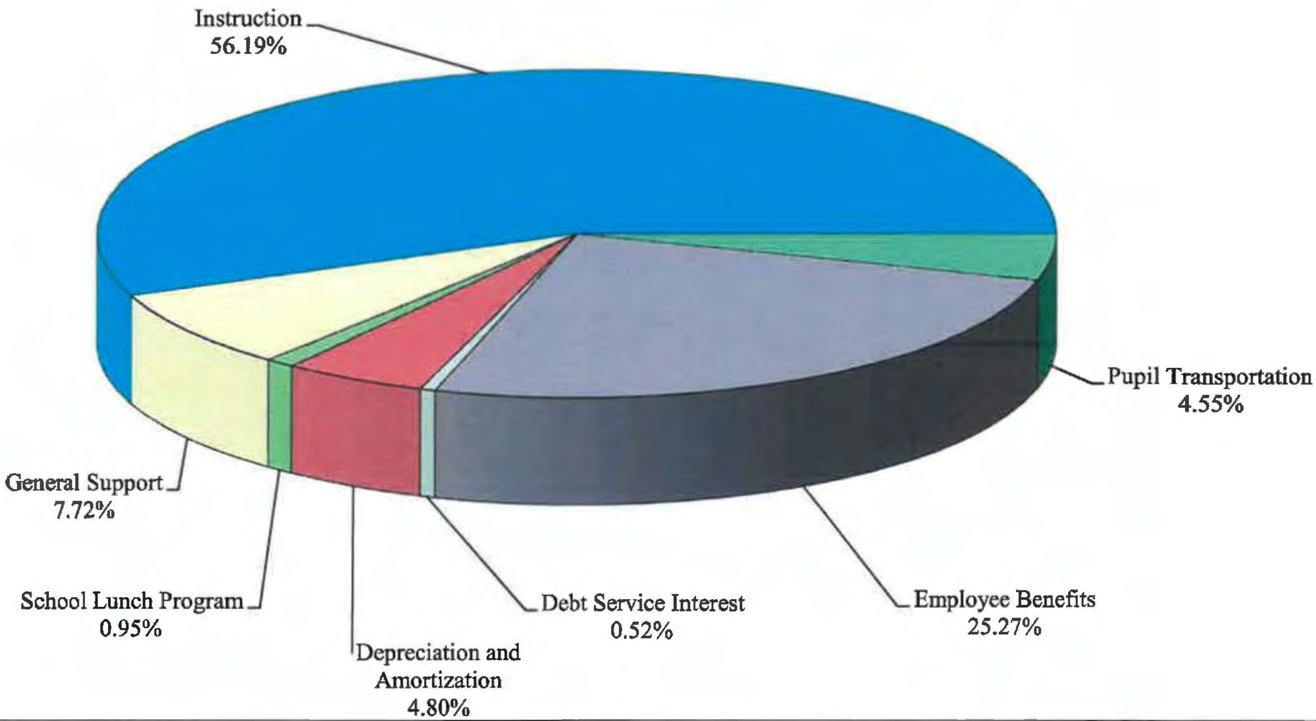


SOURCES OF REVENUES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

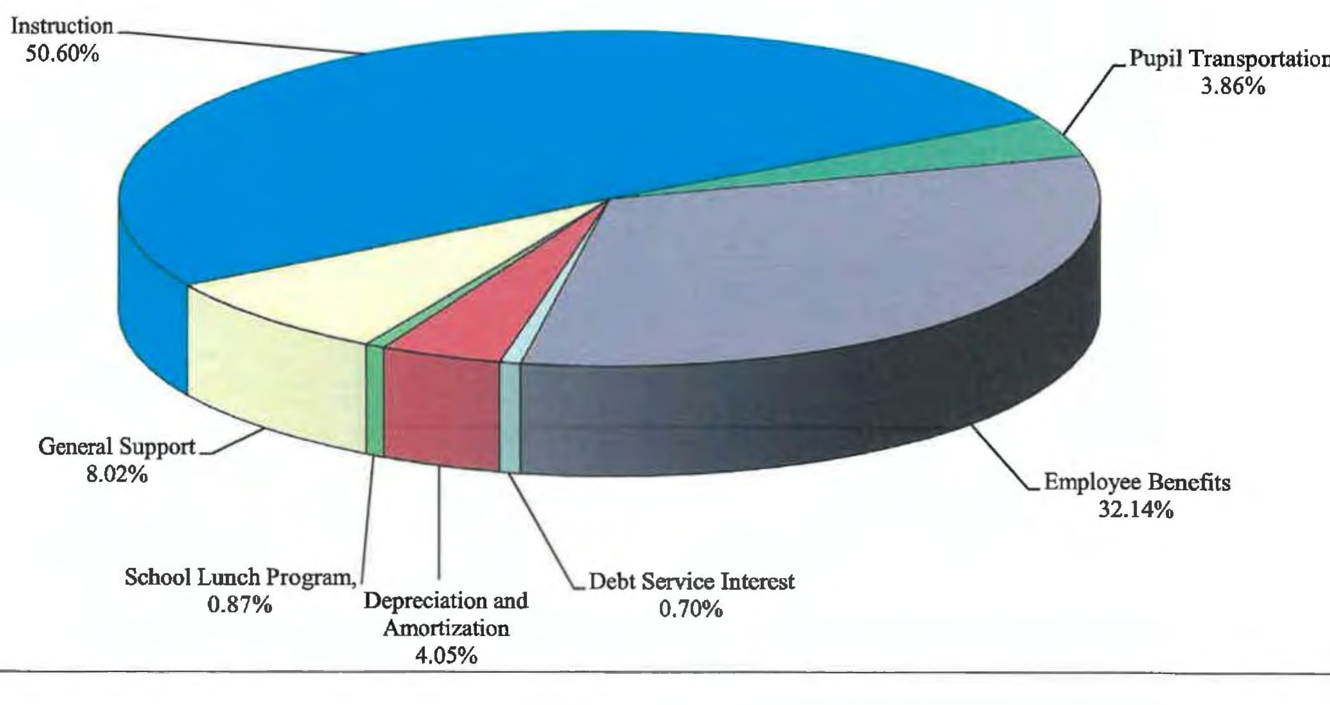


WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK

EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022



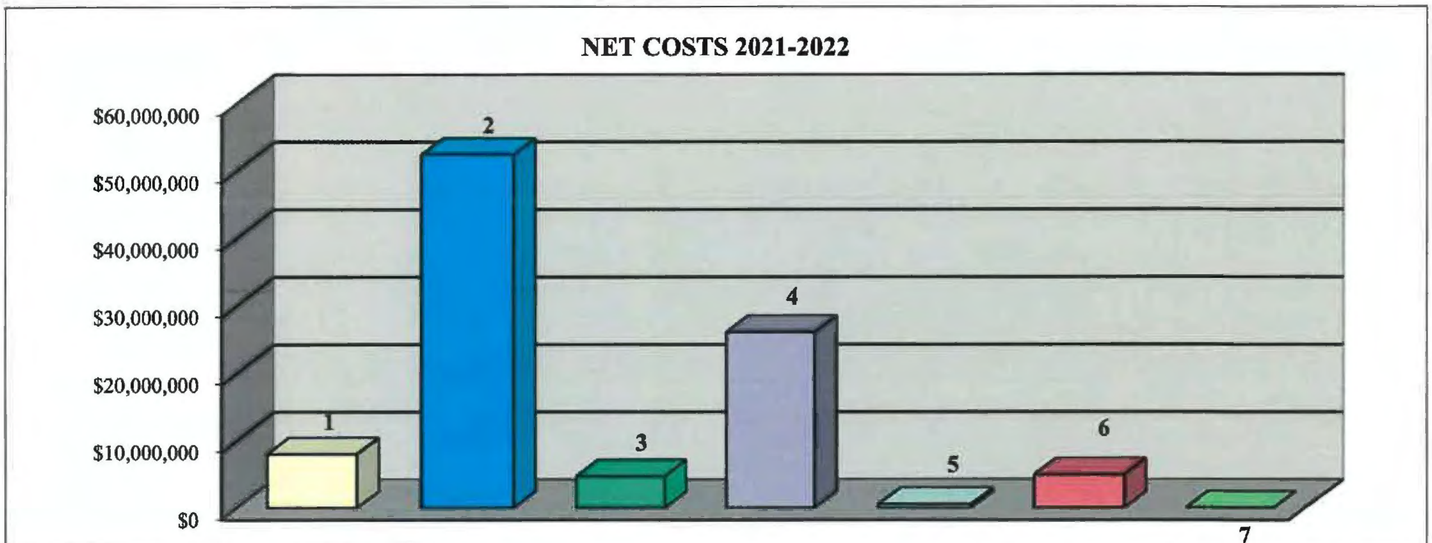
EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

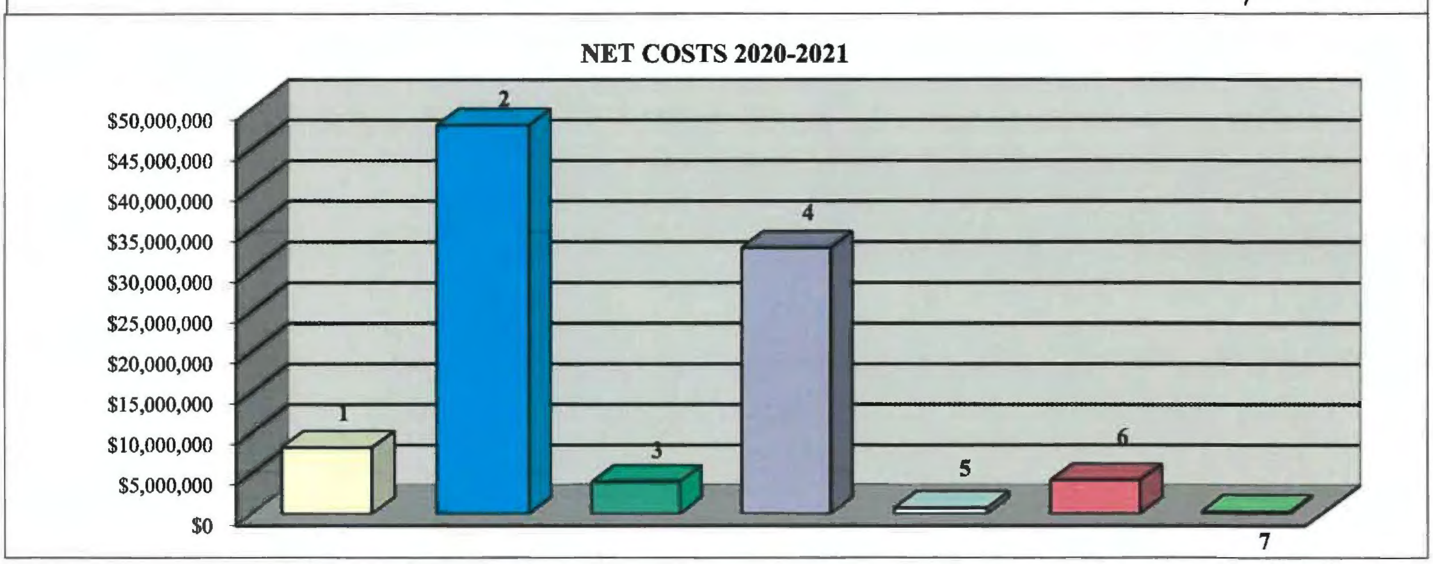


WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

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

		TOTAL COST OF SERVICES 2021-2022	NET COST OF SERVICES 2021-2022	TOTAL COST OF SERVICES 2020-2021	NET COST OF SERVICES 2020-2021
General Support	1	$ 7,967,591	$ 7,967,591	$ 8,184,485	$ 8,184,485
Instruction	2	57,957,076	52,338,057	51,622,826	47,874,939
Pupil Transportation	3	4,696,623	4,696,623	3,935,570	3,935,570
Employee Benefits	4	26,063,126	26,063,126	32,782,517	32,782,517
Debt Service - Interest	5	536,405	536,405	709,898	709,898
Depreciation	6	4,947,639	4,947,639	4,131,748	4,131,748
School Lunch Program	7	984,867	(491,393)	644,714	235,082
		$ 103,153,327	$ 96,058,048	$ 102,011,758	$ 97,854,239





Management Discussion and Analysis
(Continued)

Financial Analysis of the District's Funds

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

June 30, 2022

	Nonspendable	Committed	Restricted	Assigned	Unassigned	Total
General	$ 0	$ 0	$ 14,051,096	$ 4,733,398	$ 4,153,465	$ 22,937,959
Special Aid	0	0	0	0	0	0
School Lunch	57,412	0	752,987	0	0	810,399
Capital Projects	0	0	4,129,337	0	0	4,129,337
Debt Service	0	0	460,606	0	0	460,606
	$ 57,412	$ 0	$ 19,394,026	$ 4,733,398	$ 4,153,465	$ 28,338,301

June 30, 2021

	Nonspendable	Committed	Restricted	Assigned	Unassigned	Total
General	$ 0	$ 0	$ 18,961,013	$ 4,284,531	$ 4,019,337	$ 27,264,881
Special Aid	0	0	0	0	0	0
School Lunch	45,803	0	415,748	0	0	461,551
Capital Projects	0	0	0	0	(900,732)	(900,732)
Debt Service	0	0	560,185	0	0	560,185
	$ 45,803	$ 0	$ 19,936,946	$ 4,284,531	$ 3,118,605	$ 27,385,885

General Fund Budgetary Highlights

The original budget for the General Fund was revised by $6,041,800 during the year. The supplemental appropriations consisted of appropriations of the Capital Reserve, Pine Island Fire Alarm and Water System, Sanfordville Chiller, and BOCES ELC Grant.

In the General Fund for the year ended June 30, 2022, actual revenues were greater than revised budgeted revenues by $618,547 (0.64%). Revenue sources most significantly greater than the budgeted amount were Federal Sources as well as miscellaneous, which was primarily a refund from BOCES. Actual expenditures and encumbrances were less than the revised budgeted expenditures by $2,359,859 (2.19%). The most significant unencumbered balances related to instructional expenses for teaching – regular school in the amount of $621,944, employee benefits in the amount of $408,695, and central services in the amount of $438,058. Effective budget management and close monitoring contributed to these unencumbered appropriations. Additionally, expenditure needs were impacted due to the pandemic.

For the year 2022-2023, the District appropriated $1,400,000 of fund balance to reduce the tax levy.

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

- New York State Aid revenues may be affected due to state wide budget constraints.
- Employee benefits, including health benefits and teachers' and employees' retirement continue to rise.
- Current economic conditions are expected to reduce future revenues and increase costs.
- Costs related to pandemic instructional and safety needs.

Management Discussion and Analysis
(Continued)

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

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

Other Fund Highlights

The Special Aid Fund ended the year with no fund balance. During the year, expenditures were equal to revenues.

The School Lunch Program Fund ended the year with a fund balance of $810,399. The excess of revenues over expenditures was $348,848.

The Capital Projects Fund ended the year with a fund balance of $4,129,337. The current year expenditures were related to ongoing District-Wide Reconstruction.

Debt Service Fund ended the year with a fund balance of $460,606. Revenue consisted of interest.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2022 was $84,606,832. The total decrease in this net investment was 2.70% for the District as a whole (see schedule below). The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2021, was $86,950,280. The District expended $2,604,192 to acquire and construct capital assets during the year ended June 30, 2022, and depreciation and amortization expense for the year was $4,944,856.

CAPITAL ASSETS
Net of Accumulated Depreciation

	School District Activities		
	June 30, 2022	June 30, 2021	% Change
Non-Depreciable Assets:			
Land	$ 1,014,654	$ 1,014,654	0.00%
Construction in Progress	663,080	4,746,673	-86.03%
Depreciable Assets:			
Building and Improvements	72,818,927	71,490,802	1.86%
Furniture and Equipment	7,234,561	6,502,603	11.26%
Vehicles	2,652,463	2,656,844	-0.16%
Amortizable Assets:			
Equipment - Right to Use	223,147	538,704	-58.58%
TOTALS	$ 84,606,832	$ 86,950,280	-2.70%

Management Discussion and Analysis
(Continued)

Long-Term Debt

At the end of the year, the District had total bonded debt outstanding of $17,865,000, leases payable of $177,349, and installment debt outstanding of $6,528,488. This amount is backed by the full faith and credit of Warwick Valley Central School District with debt service fully funded by voter approved property taxes. Activity in long-term debt outstanding during the year was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Serial Bond	$ 790,000	$ 0	$ 790,000	$ 0
Serial Bond	2,405,000	0	1,715,000	690,000
Serial Bond	5,085,000	0	220,000	4,865,000
Serial Bond	4,160,000	0	320,000	3,840,000
Serial Bond	2,865,000	0	515,000	2,350,000
Serial Bond	6,570,000	0	450,000	6,120,000
Total Bonded Debt Outstanding	21,875,000	0	4,010,000	17,865,000
Leases Payable	494,658	0	317,309	177,349
Installment Purchase Debt	7,151,736	98,894	722,142	6,528,488
Total Bonds and Notes Payable	$ 29,521,394	$ 98,894	$ 5,049,451	$ 24,570,837

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of "Aa2" to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Timothy Holmes, Assistant Superintendent for Business, at the District's business offices at the School's Business Offices at 225 West St., Warwick, New York 10990.

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

ASSETS	
Unrestricted Cash	$ 10,714,974
Restricted Cash	20,564,868
State & Federal Aid Receivable	2,997,527
Due from Other Governments	463,381
Due from Fiduciary Funds	340
Other Receivables, Net	96,017
Inventories	57,412
Leases Receivable	1,702,756
Net Pension Asset, Proportionate Share	35,848,844
Right to Use Assets, Net	223,147
Non Depreciable Capital Assets	1,677,734
Depreciable Capital Assets, Net	82,705,951
TOTAL ASSETS	157,052,951
DEFERRED OUTFLOWS OF RESOURCES	
Pension Plans (ERS & TRS)	24,545,060
Other Postemployment Benefits	34,447,909
Deferred Charges on Refunding	71,129
TOTAL DEFERRED OUTFLOWS OF RESOURCES	59,064,098
LIABILITIES	
Accounts Payable	200,921
Accrued Liabilities	824,473
Due to Other Governments	4
Due to Teachers' Retirement System	3,808,830
Due to Employees' Retirement System	388,936
Other Liabilities	185,960
Bond Anticipation Notes	859,045
Unearned Revenues	476,201
Long-Term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	2,505,487
Installment Purchase Debt	740,854
Lease Liability	177,349
Due and Payable In More Than One Year:	
Bonds Payable	16,421,653
Installment Purchase Debt	5,787,635
Compensated Absences	123,547
Other Postemployment Benefits	235,609,346
TOTAL LIABILITIES	268,110,240
DEFERRED INFLOWS OF RESOURCES	
Pension Plans (ERS & TRS)	44,762,244
Other Postemployment Benefits	8,884,072
Deferred Lease Revenue	1,615,335
TOTAL DEFERRED INFLOWS OF RESOURCES	55,261,651
NET POSITION	
Net Investment in Capital Assets	58,189,694
Restricted	55,242,870
Unrestricted	(220,687,406)
TOTAL NET POSITION	$ (107,254,842)

See notes to financial statements.

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

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
FUNCTIONS & PROGRAMS				
General Support	$ (10,997,742)	$ 0	$ 0	$ (10,997,742)
Instruction	(83,788,789)	2,682,647	2,936,372	(78,169,770)
Pupil Transportation	(6,538,747)	0	0	(6,538,747)
Debt Service – Interest	(536,405)	0	0	(536,405)
School Lunch Program	(1,291,644)	664,936	811,324	184,616
TOTAL FUNCTIONS & PROGRAMS	$ (103,153,327)	$ 3,347,583	$ 3,747,696	(96,058,048)
GENERAL REVENUES				
Real Property Taxes				60,846,287
Other Tax Items				3,935,223
Use of Money & Property				722,211
Sale of Property & Compensation for Loss				235,978
Miscellaneous				849,122
State Sources				28,585,167
Federal Sources				442,674
TOTAL GENERAL REVENUES				95,616,662
CHANGE IN NET POSITION				(441,386)
NET POSITION, BEGINNING OF YEAR (Restated)				(106,813,456)
NET POSITION, END OF YEAR				$ (107,254,842)

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Unrestricted Cash	$ 10,714,974	$ 0	$ 0	$ 0	$ 0	$ 10,714,974
Restricted Cash	14,051,096	157	706,074	5,297,221	510,320	20,564,868
State & Federal Aid Receivable	1,475,491	1,358,509	163,527	0	0	2,997,527
Due from Other Governments	463,381	0	0	0	0	463,381
Due from Other Funds	1,780,039	214,285	3,155	643	50,348	2,048,470
Due from Fiduciary Funds	340	0	0	0	0	340
Other Receivables, Net	96,017	0	0	0	0	96,017
Leases Receivable	1,702,756	0	0	0	0	1,702,756
Inventories	0	0	57,412	0	0	57,412
TOTAL ASSETS	$ 30,284,094	$ 1,572,951	$ 930,168	$ 5,297,864	$ 560,668	$ 38,645,745
LIABILITIES & FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 200,921	$ 0	$ 0	$ 0	$ 0	$ 200,921
Accrued Liabilities	703,916	6,962	12,864	0	0	723,742
Due to Other Governments	0	0	4	0	0	4
Due to Other Funds	248,170	1,332,600	58,156	309,482	100,062	2,048,470
Due to Teachers' Retirement System	3,808,830	0	0	0	0	3,808,830
Due to Employees' Retirement System	388,936	0	0	0	0	388,936
Other Liabilities	185,960	0	0	0	0	185,960
Bond Anticipation Notes	0	0	0	859,045	0	859,045
Unearned Revenues	194,067	233,389	48,745	0	0	476,201
TOTAL LIABILITIES	5,730,800	1,572,951	119,769	1,168,527	100,062	8,692,109
DEFERRED INFLOWS OF RESOURCES						
Deferred Lease Revenue	1,615,335	0	0	0	0	1,615,335
TOTAL DEFERRED INFLOWS OF RESOURCES	1,615,335	0	0	0	0	1,615,335
FUND BALANCES						
Fund Balance:						
Nonspendable:	0	0	57,412	0	0	57,412
Restricted:	14,051,096	0	752,987	4,129,337	460,606	19,394,026
Assigned:	4,733,398	0	0	0	0	4,733,398
Unassigned:	4,153,465	0	0	0	0	4,153,465
TOTAL FUND BALANCES	22,937,959	0	810,399	4,129,337	460,606	28,338,301
TOTAL LIABILITIES & FUND BALANCES	$ 30,284,094	$ 1,572,951	$ 930,168	$ 5,297,864	$ 560,668	$ 38,645,745

See notes to financial statements.

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

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS				
Unrestricted Cash	$ 10,714,974	$ 0	$ 0	$ 10,714,974
Restricted Cash	20,564,868	0	0	20,564,868
State & Federal Aid Receivable	2,997,527	0	0	2,997,527
Due from Other Governments	463,381	0	0	463,381
Due from Other Funds	2,048,470	0	(2,048,470)	0
Due from Fiduciary Funds	340	0	0	340
Other Receivables, Net	96,017	0	0	96,017
Leases Receivable	1,702,756	0	0	1,702,756
Inventories	57,412	0	0	57,412
Net Pension Asset, Proportionate Share	0	35,848,844	0	35,848,844
Right to Use Assets, Net	0	223,147	0	223,147
Non Depreciable Capital Assets	0	1,677,734	0	1,677,734
Capital Assets, Net	0	82,705,951	0	82,705,951
TOTAL ASSETS	38,645,745	120,455,676	(2,048,470)	157,052,951
DEFERRED OUTFLOWS OF RESOURCES				
Pension Plans (ERS & TRS)	0	24,545,060	0	24,545,060
Other Postemployment Benefits	0	34,447,909	0	34,447,909
Deferred Charges on Refunding	0	71,129	0	71,129
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	59,064,098	0	59,064,098
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 38,645,745	$ 179,519,774	$ (2,048,470)	$ 216,117,049
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	$ 200,921	$ 0	$ 0	$ 200,921
Accrued Liabilities	723,742	100,731	0	824,473
Due to Other Governments	4	0	0	4
Due to Other Funds	2,048,470	0	(2,048,470)	0
Due to Teachers' Retirement System	3,808,830	0	0	3,808,830
Due to Employees' Retirement System	388,936	0	0	388,936
Other Liabilities	185,960	0	0	185,960
Bond Anticipation Notes	859,045	0	0	859,045
Unearned Revenues	476,201	0	0	476,201
Bonds Payable	0	18,927,140	0	18,927,140
Installment Purchase Debt	0	6,528,488	0	6,528,488
Lease Liability	0	177,349	0	177,349
Compensated Absences	0	123,547	0	123,547
Other Postemployment Benefits	0	235,609,346	0	235,609,346
TOTAL LIABILITIES	8,692,109	261,466,601	(2,048,470)	268,110,240
DEFERRED INFLOWS OF RESOURCES				
Pension Plans (ERS & TRS)	0	44,762,244	0	44,762,244
Other Postemployment Benefits	0	8,884,072	0	8,884,072
Deferred Lease Revenue	1,615,335	0	0	1,615,335
TOTAL DEFERRED INFLOWS OF RESOURCES	1,615,335	53,646,316	0	55,261,651
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	10,307,444	315,112,917	(2,048,470)	323,371,891
FUND BALANCES / NET POSITION	28,338,301	(135,593,143)	0	(107,254,842)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES / NET POSITION	$ 38,645,745	$ 179,519,774	$ (2,048,470)	$ 216,117,049

See notes to financial statements.

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

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Real Property Taxes	$ 60,846,287	$ 0	$ 0	$ 0	$ 0	$ 60,846,287
Other Tax Items	3,935,223	0	0	0	0	3,935,223
Charges for Services	2,682,647	0	0	0	0	2,682,647
Use of Money & Property	722,019	0	192	0	0	722,211
Sale of Property & Compensation for Loss	235,978	0	0	0	0	235,978
Miscellaneous	847,499	0	1,202	0	421	849,122
State Sources	27,522,356	754,204	14,495	294,112	0	28,585,167
Federal Sources	458,370	2,936,372	795,628	0	0	4,190,370
Sales	0	0	664,936	0	0	664,936
TOTAL REVENUES	97,250,379	3,690,576	1,476,453	294,112	421	102,711,941
EXPENDITURES						
General Support	9,008,057	0	0	0	0	9,008,057
Instruction	54,412,818	3,566,006	0	0	0	57,978,824
Pupil Transportation	4,696,623	0	0	0	0	4,696,623
Employee Benefits	21,276,842	296,258	142,738	0	0	21,715,838
Debt Service:						
Principal	5,362,689	0	0	0	0	5,362,689
Interest	855,597	0	0	0	0	855,597
Cost of Sales	0	0	984,867	0	0	984,867
Capital Outlay	0	0	0	1,569,162	0	1,569,162
TOTAL EXPENDITURES	95,612,626	3,862,264	1,127,605	1,569,162	0	102,171,657
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	1,637,753	(171,688)	348,848	(1,275,050)	421	540,284
OTHER SOURCES & USES						
Proceeds from Debt	0	0	0	98,894	0	98,894
BANS Redeemed from Appropriations	0	0	0	313,238	0	313,238
Operating Transfers In	275,809	171,688	0	6,068,795	0	6,516,292
Operating Transfers Out	(6,240,484)	0	0	(175,808)	(100,000)	(6,516,292)
TOTAL OTHER SOURCES & USES	(5,964,675)	171,688	0	6,305,119	(100,000)	412,132
EXCESS (DEFICIENCY) REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	(4,326,922)	0	348,848	5,030,069	(99,579)	952,416
FUND BALANCES, BEGINNING OF YEAR	27,264,881	0	461,551	(900,732)	560,185	27,385,885
FUND BALANCES, END OF YEAR	$ 22,937,959	$ 0	$ 810,399	$ 4,129,337	$ 460,606	$ 28,338,301

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 60,846,287	$ 0	$ 0	$ 0	$ 0	$ 60,846,287
Other Tax Items	3,935,223	0	0	0	0	3,935,223
Charges for Services	2,682,647	0	0	0	0	2,682,647
Use of Money & Property	722,211	0	0	0	0	722,211
Sale of Property & Compensation for Loss	235,978	0	0	0	0	235,978
Miscellaneous	849,122	0	0	0	0	849,122
State Sources	28,585,167	0	0	0	0	28,585,167
Federal Sources	4,190,370	0	0	0	0	4,190,370
Sales	664,936	0	0	0	0	664,936
TOTAL REVENUES	102,711,941	0	0	0	0	102,711,941
EXPENDITURES						
General Support	9,008,057	(5,436)	740,688	0	1,254,433	10,997,742
Instruction	57,978,824	(21,748)	3,882,901	0	21,948,812	83,788,789
Pupil Transportation	4,696,623	0	277,758	0	1,564,366	6,538,747
Employee Benefits	21,715,838	4,347,288	0	0	(26,063,126)	0
Debt Service:						
Principal	5,362,689	0	0	(5,362,689)	0	0
Interest	855,597	(62,200)	0	(256,992)	0	536,405
Cost of Sales	984,867	0	46,292	0	260,485	1,291,644
Capital Outlay	1,569,162	0	(2,604,192)	0	1,035,030	0
TOTAL EXPENDITURES	102,171,657	4,257,904	2,343,447	(5,619,681)	0	103,153,327
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	540,284	(4,257,904)	(2,343,447)	5,619,681	0	(441,386)
OTHER SOURCES & USES						
Proceeds from Debt	98,894	0	0	(98,894)	0	0
BANS Redeemed from Appropriations	313,238	0	0	(313,238)	0	0
Operating Transfers In	6,516,292	0	0	0	(6,516,292)	0
Operating Transfers Out	(6,516,292)	0	0	0	6,516,292	0
TOTAL OTHER SOURCES & USES	412,132	0	0	(412,132)	0	0
NET CHANGE FOR THE YEAR	$ 952,416	$ (4,257,904)	$ (2,343,447)	$ 5,207,549	$ 0	$ (441,386)

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	PRIVATE PURPOSE TRUSTS	CUSTODIAL
ASSETS		
Cash	$ 167,117	$ 211,542
TOTAL ASSETS	$ 167,117	$ 211,542
LIABILITIES & NET POSITION		
LIABILITIES		
Due to Other Funds	$ 340	$ 0
TOTAL LIABILITIES	340	0
NET POSITION		
Reserved for Individuals, Organizations and Other Governments	166,777	211,542
TOTAL LIABILITIES & NET POSITION	$ 167,117	$ 211,542

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	PRIVATE PURPOSE TRUSTS	CUSTODIAL
ADDITIONS		
Gifts and Contributions	$ 21,935	$ 0
Extraclassroom Receipts	0	312,193
Investment Earnings	56	0
TOTAL ADDITIONS	21,991	312,193
DEDUCTIONS		
Scholarships & Awards	21,450	0
Extraclassroom Disbursements	0	287,180
Other Expenses	0	0
TOTAL DEDUCTIONS	21,450	287,180
CHANGE IN NET POSITION	541	25,013
NET POSITION, BEGINNING OF YEAR	166,236	186,529
NET POSITION, END OF YEAR	$ 166,777	$ 211,542

See notes to financial statements.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of Warwick Valley Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Where comparative amounts are presented, certain reclassifications may have been made to the prior year amounts so that they would be in conformity with the current year's presentation. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

Warwick Valley Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as custodian for various student organizations in a custodial fund.

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

B. Joint Venture

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

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

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

During the year ended June 30, 2022, Warwick Valley Central School District was billed $11,552,231 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,626,729. Financial statements for BOCES are available from the BOCES administrative office at 53 Gibson Road, Goshen, NY 10924.

C. Basis of Presentation

1. District-Wide Statements

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

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

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

C. Basis of Presentation (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

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

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

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

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

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary funds:

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

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

Custodial funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as custodian for various student groups or extraclassroom activity funds.

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

D. Measurement Focus and Basis of Accounting

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and became a lien on August 19, 2021. Taxes were collected by the District during the period September 1, 2021 through November 2, 2021.

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

F. Restricted Resources

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

G. Interfund Transactions

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

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

G. Interfund Transactions (Continued)

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

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

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

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

I. Cash and Investments

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

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of United States and its agencies and obligations of the State and its municipalities and Districts.

J. Accounts Receivable

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

K. Leases Receivable

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

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

L. Inventories and Prepaid Items

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

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

M. Other Assets/Restricted Assets

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

N. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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
Land Improvements	$ 5,000	Straight Line	20 years
Buildings and Improvements	5,000	Straight Line	20 - 50 years
Furniture and Equipment	5,000	Straight Line	5 - 15 years
Vehicles	5,000	Straight Line	8 years

O. Right to Use Assets

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

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

P. Deferred Outflows and Inflows of Resources

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

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

Q. Unavailable/Unearned Revenue

Unavailable revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned/unavailable revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding year. Consequently, such amounts are recognized as revenue in the subsequent year, rather than when measurable and available.

Unavailable revenues recorded in governmental funds are typically adjusted and not included in the district-wide statements.

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

R. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical/personal time.

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

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

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

2. Other Benefits

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

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

S. Short-Term Debt

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

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

S. Short-Term Debt (Continued)

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

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

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

T. Accrued Liabilities and Long-Term Obligations

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

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

U. Equity Classifications

1. District-Wide Statements

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

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

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

U. Equity Classifications (Continued)

1. District-Wide Statements (Continued)

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

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

2. Fund Statements

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

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory in the School Lunch Fund of $57,412.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

Unemployment Insurance Reserve

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

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

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Tax Certiorari Reserve

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

Employee Benefit Accrued Liability Reserve

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

Workers' Compensation

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

Retirement Contribution Reserve

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

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

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Repair Reserve

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

Encumbrances

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

Restricted fund balance at June 30, 2022 consisted of:

General Fund:	
Capital Reserve	$ 950,736
Repair Reserve	1,003,873
Workers' Compensation Reserve	1,152,954
Unemployment Insurance Reserve	539,597
Tax Certiorari Reserve	1,607,099
Employee Benefit Accrued Liability Reserve	3,099,953
Retirement Contribution Reserve - ERS	3,598,079
Retirement Contribution Reserve - TRS	2,098,805
School Lunch Fund	752,987
Capital Fund	4,129,337
Debt Service Fund	460,606
Total Restricted Fund Balance	$ 19,394,026

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balance as committed as of June 30, 2022.

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

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. By reporting particular amounts that are not restricted or committed in the governmental funds other than the General Fund, the District has assigned those amounts to the purposes of the respective funds. Assigned fund balance in the General Fund includes $2,884,531 assigned for specific purposes through the issuance of purchase orders that encumbered the budget for the year ended June 30, 2022. This assignment is made when purchase orders are approved by the Purchasing Agent who is designated each year by the Board of Education at its annual reorganizational meeting pursuant to the District's purchasing policy. Assigned fund balance in the General Fund also includes $1,400,000 assigned to be used to reduce the tax levy for the year ending June 30, 2023. This assignment is made when the tax levy is set by the Board of Education pursuant to the District's annual budget policy.

Encumbrances	$ 3,333,398
Appropriated to Reduce Subsequent Year's Tax Levy	1,400,000
Total Assigned Fund Balance	$ 4,733,398

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

Order of Use of Fund Balance:

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Limitation on Unexpended Surplus Funds:

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District's General Fund budget for the ensuing 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 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

V. New Accounting Standards

GASB has issued Statement 87, *Leases*, which will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were not classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under, this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has implemented Statement 87 as required.

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

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

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

GASB has issued Statement 98, *The Annual Comprehensive Financial Report*, this Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The District has implemented Statement 97 as required.

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

W. Future Changes in Accounting Standards

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

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

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

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

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

W. Future Changes in Accounting Standards (Continued)

GASB has issued Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2024 financial statements.

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

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

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

Original Cost of Capital Assets	$ 168,716,826
Accumulated Depreciation	(84,333,141)
	$ 84,383,685

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

2. The cost of right to use assets (equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with the present value capitalized and amortization expensed annually of the period of use. The balances at June 30, 2022 are as follows:

Original Cost of Right of Use Assets	$	946,670
Accumulated Amortization		(723,523)
	$	223,147

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

Accrued Interest Payable	$	100,731

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

Bonds Payable	$	18,927,140
Installment Purchase Debt		6,528,488
Compensated Absences		123,547
Lease Liability		177,349
Other Postemployment Benefits		235,609,346
Deferred Outflows - OPEB		(34,447,909)
Deferred Inflows - OPEB		8,884,072
	$	235,802,033

5. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The balance at June 30, 2022 was as follows:

Deferred Charges on Refunding	$	71,129

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

6. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily resulting from contributions subsequent to the measurement date and changes in the components of the net pension liability or asset are recorded. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2022 were as follows:

Net Pension Asset, Proportionate Share	$ (35,848,844)
Deferred Outflows of Resources - Pension	(24,545,060)
Deferred Inflows of Resources - Pension	44,762,244
	$ (15,631,660)

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

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

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

4. Pension Plan Related Differences

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

5. Other Postemployment Benefit (OPEB) Related Differences

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

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Total Revenues and Other Funding Sources

Total revenues and other funding sources reported in Governmental Funds (Schedule 5)	$ 109,640,365
BANS Redeemed from Appropriations	(313,238)
Proceeds from long-term debt is recognized as an other funding source in the governmental funds, but increases liabilities in the Statement of Net Assets, and does not affect the Statement of Activities.	(98,894)
Operating transfers from other funds are recognized as an other funding source in the governmental fund statements, but are eliminated in the Statement of Activities.	(6,516,292)
Total revenues in the Statement of Activities (Schedule 2)	$ 102,711,941

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

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

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Total Expenditures & Other Uses/Expenses

Total expenditures and other uses reported in Governmental Funds (Schedule 5)	$ 108,687,949
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $2,604,192 were less than depreciation of $4,629,299 and remianing bais of disposed assets of $2,784	2,027,890
When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the statement of Activities, the present value of those assets is capitalized and the expense is allocated over the period of use and reported as amortization expense. This is the amount by which amortization of $315,557 was more than the present value of the right to use assets of $0 purchased in the current year.	315,557
In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which compensated absences used during the year exceeded the amount earned.	(27,184)
In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost, and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	10,609,433
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable last year exceeded the interest payable this year.	(62,200)

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Payment of lease principal is an expenditure in the governmental funds, but does reduce leabilities in the Statement of Net Position, and does affect the Statement of Activities.	(317,309)
Repayment of bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities and Changes in Net Position.	(5,045,380)
Premiums and discounts on long-term debt issuances and deferred amounts from debt refunding are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. This is the net amount that was amortized during the fiscal year.	(256,992)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds. (TRS of ($5,255,279) and ERS of ($516,223)).	(6,262,146)
Operating transfers to other funds are recognized as other uses of funds in the governmental fund statements, but are eliminated in the Statement of Activities.	(6,516,291)
Total expenses in the Statement of Activities (Schedule 2)	$ 103,153,327

NOTE 3. CHANGE IN ACCOUNTING PRINCIPLES.

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of the statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. See note 18 for the financial statement impact of the implementation of the statement.

NOTE 4. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

NOTE 4. STEWARDSHIP AND COMPLIANCE. (Continued)

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the year are shown on Supplemental Schedule #5. 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.

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

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

B. Encumbrances

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

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

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

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

Uncollateralized	$	0
Insured	$	1,500,000
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$	31,635,386

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $20,564,868 within the governmental funds.

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

NOTE 6. CAPITAL ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 1,014,654	$ 0	$ 0	$ 1,014,654
Construction in Progress	4,746,673	663,080	(4,746,673)	663,080
Total Nondepreciable Assets	5,761,327	663,080	(4,746,673)	1,677,734
Capital assets that are depreciated:				
Buildings and Improvements	135,664,049	0	4,746,673	140,410,722
Furniture & Equipment	16,827,210	1,441,920	(37,767)	18,231,363
Vehicles	8,391,591	499,192	(493,776)	8,397,007
Total Depreciable Assets	160,882,850	1,941,112	4,215,130	167,039,092
Less: Accumulated Depreciation	(80,232,601)	(4,629,299)	528,759	(84,333,141)
Capital Assets, Net	$86,411,576	$ (2,025,107)	$ (2,784)	$ 84,383,685

Depreciation expense was charged to governmental functions as follows:

General Support	$ 740,688
Instruction	3,564,560
Transportation	277,758
School Lunch Program	46,292
Total Depreciation	$ 4,629,298

NOTE 7. RIGHT TO USE ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Right to use assets that are amortized:				
Equipment	$ 946,670	$ 0	$ 0	$ 946,670
Less: Accumulated Amortization	(407,966)	(315,557)	0	(723,523)
Right To Use Assets, Net	$ 538,704	$ (315,557)	$ 0	$ 223,147

Amortization expense was charged to governmental functions as follows:

Instruction	$ 315,557
Total Amortization	$ 315,557

NOTE 8. LEASES.

District as Lessor

The District, as lessor, has entered into several lease agreements involving building space. Lease terms range from 2 to 10 years. The District reported lease revenue of $412,594 and interest revenue of $35,922. At year end the amount of deferred inflows of resources for leases was $1,615,335.

District as Lessee

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Balance June 30, 2022
BOCES IPA #8	6/15/2020	36 months	$ 5,645	Var.	$ 67,109
BOCES IPA #9	6/15/2020	36 months	9,023	Var.	110,240
					$ 177,349

The District, as a lessee, has entered into lease agreements with Orange Ulster BOCES, for copiers and IT equipment.

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

For the Year Ended June 30,	Leases Payable Principal	Leases Payable Interest
2023	$ 177,349	$ 1,701

NOTE 11. SHORT-TERM LIABILITIES.

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Fund. The notes or renewal thereof may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each twelve-month period thereafter. For short-term financing, the Warwick Valley Central School District redeems (pays down) one-fifth (1/5) of the original BAN borrowing.

State law requires that BAN's issued for capital purposes are converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for period's equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. As of June 30, 2022, one bond anticipation note (BAN) was outstanding for $859,045. These temporary funds were borrowed to assist with financing ongoing bus purchases and construction projects.

The following is a summary of Warwick Valley Central School District's outstanding bond anticipation notes at June 30, 2022.

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance
BAN'S	$ 874,091	$ 859,045	$ 874,091	$ 859,045
Total Short-Term Debt	$ 874,091	$ 859,045	$ 874,091	$ 859,045

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

Interest Paid	$ 7,692
Less: Interest Accrued in the Prior Year	(7,186)
Plus: Interest Accrued in the Current Year	2,503
Interest Expense	$ 3,009

NOTE 10. LONG-TERM LIABILITIES.

Long-term liability balances and activity for the year ended June 30, 2022 are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable*	$ 23,250,153	$ 0	$ 4,323,013	$ 18,927,140	$2,505,487
Installment Purchase Debt	7,151,736	98,894	722,142	6,528,488	740,854
Lease Liability	494,658	0	317,309	177,349	177,349
Total Bonds and Notes Payable	30,896,547	98,894	5,362,464	25,632,977	3,423,690
Other Liabilities:					
Compensated Absences	150,732	0	27,185	123,547	0
Other Postemployment Benefits	219,310,112	21,175,064	4,875,830	235,609,346	0
Net Pension Liability	5,435,402	0	5,435,402	0	
Total Other Liabilities	224,896,246	21,175,064	10,338,417	235,732,893	0
Total Long-Term Liabilities	$ 255,792,793	$21,273,958	$15,700,881	$261,365,870	$3,423,690

* At June 30, 2022, the Bonds Payable includes unamortized premiums of $1,062,140. This amount is being amortized over the life of the debt issuance to which it relates.

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences. Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Activity for Other Postemployment Benefits and Net Pension Liability have also been shown as net figures.

NOTE 10. LONG-TERM LIABILITIES. (Continued)

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
Serial Bond – Advanced Refunding	4/16/2015	6/15/2023	5.00%	$ 690,000
Serial Bond – Advanced Refunding	8/10/2016	5/15/2037	Variable	4,865,000
Serial Bond - Construction	7/2/2018	6/15/2034	Variable	3,840,000
Serial Bond – Advanced Refunding	3/25/2021	6/15/2027	Variable	2,350,000
Serial Bond - Construction	6/29/2021	6/15/2029	Variable	6,120,000
				$ 17,865,000

Installment Debt	6/26/2013	6/26/2028	2.78%	$ 1,788,280
Energy Performance Contract	8/17/2017	7/15/2032	2.495%	4,513,000
2019 Municipal Equipment Lease	5/20/2019	7/15/2023	4.790%	163,017
Municipal Equipment Lease	6/1/2022	6/1/2024	5.370%	64,191
				$ 6,528,488

The following is a summary of maturing debt service requirements:

	Bonds and Notes Payable		Other Liabilities	
For the Year Ended June 30,	Principal	Interest	Principal	Interest
2023	$ 2,225,000	$ 524,344	$ 740,854	$ 169,178
2024	1,570,000	459,525	764,072	147,052
2025	1,600,000	424,400	667,666	124,162
2026	1,495,000	370,594	686,830	106,530
2027	1,480,000	321,050	706,221	88,396
2028 – 2032	5,895,000	1,000,900	2,488,845	206,593
2033 – 2037	3,600,000	246,100	474,000	5,913
TOTAL	$ 17,865,000	$ 3,346,913	$ 6,528,488	$ 847,824

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

Interest paid	$ 847,904
Less: Interest accrued in the prior year	(155,745)
Less: Amortization of premium and deferred amount	(256,992)
Plus: Interest accrued in the current year	98,228
Total interest expense	$ 533,395

NOTE 11. PENSION PLANS.

Pension Obligations

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

Plan Description & Benefits Provided

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007.

In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

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

ERS Benefits Provided

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

Tiers 1 and 2

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

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

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

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

Tiers 3, 4, and 5

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

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

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

Tier 6

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

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied 1for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

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

Special Plans

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

Disability Retirement Benefits

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

TRS Benefits Provided

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

Tier 1

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

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 2

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

Tier 3

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

Tier 4

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

Tier 5

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

Tier 6

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

Service Retirements

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

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

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

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

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Vested Benefits

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

Disability Retirement

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

Death Benefits

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

Prior Service

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

Tier Reinstatement

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

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index not to exceed 3% nor be lower than 1%. It is applied to the $18,000 of the annual benefit. The applicable percentage payable beginning September 2020 is 1.0%.

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

NOTE 11. PENSION PLANS. (Continued)

Contributions

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

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

Year	NYSTRS	NYSERS
2021 – 2022	$ 3,150,036	$ 1,448,951
2020 – 2021	3,185,420	1,343,206
2019 – 2020	2,944,435	1,346,577

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

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

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

At March 31, 2022, the District's proportion of the NYSERS net pension asset/(liability) was .0257138%, which is an increase of .004120% from its proportion measured as of March 31, 2021.

At June 30, 2021, the District's proportion of the NYSTRS net pension asset/(liability) was .194742%, which was a decrease of .001048% as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of $341,487 and $(1,838,909) for ERS and TRS, respectively. At June 30, 2022, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources which are summarized on the next page:

NOTE 11. PENSION PLANS. (Continued)

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

	Deferred Outflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 159,187	$ 4,651,645	$ 4,810,832
Changes of Assumptions	3,507,995	11,100,044	14,608,039
Net difference between projected and actual earnings on pension plan investments	0	0	0
Changes in proportion and difference between the District's contributions and proportionate share of contributions	801,758	449,497	1,251,255
District's contributions subsequent to the measurement date	388,936	3,485,998	3,874,934
Total	$ 4,857,876	$ 19,687,184	$ 24,545,060

	Deferred Inflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 206,475	$ 175,329	$ 381,804
Changes of Assumptions	59,194	1,965,654	2,024,848
Net difference between projected and actual earnings on pension plan investments	6,883,155	35,319,569	42,202,724
Changes in proportion and difference between the District's contributions and proportionate share of contributions	145,412	7,456	152,868
District's contributions subsequent to the measurement date	0	0	0
Total	$ 7,294,236	$ 37,468,008	$ 44,762,244

NOTE 11. PENSION PLANS. (Continued)

Year Ended:	ERS	TRS
2022	$ 0	$ 4,224,545
2023	287,639	4,984,728
2024	583,358	6,359,540
2025	1,644,638	8,448,976
2026	309,660	(1,621,219)
Thereafter	0	(1,129,747)

Actuarial Assumptions

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

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Inflation Rate	2.70%	2.40%
Projected Salary Increases	4.4%	1.95% - 5.18% Rates of increase differ based on age and gender. Calculations have been based upon recent NYSTRS member experience
Projected Cost of Living Adjustments	1.3%, compounded annually	1.3%, compounded annually
Investment Rate of Return	5.90% compounded annually, net of investment expense including inflation	6.95% compounded annually, net of pension plan investment expense including inflation
Decrement Tables	Actual experience study for the period April 1, 2015 through March 31, 2020	Actual experience study for the period July 1, 2015 through June 30, 2020
Mortality Improvement	Society of Actuaries Scale MP-2020	Society of Actuaries Scale MP-2020

NOTE 11. PENSION PLANS. (Continued)

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. The Long Term Expected Real Rates of Return are presented by asset allocation classification, which differ from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS	
Measurement Date	March 31, 2022	
	Target Allocation	Long-term expected real rate of return*
Asset Class:		
Domestic Equity	32%	3.30%
International Equity	15%	5.85%
Private Equity	10%	6.50%
Real Estate	9%	5.00%
Opportunistic/ARS Portfolio	3%	4.10%
Credit	4%	3.78%
Real Assets	3%	5.80%
Fixed Income	23%	0.00%
Cash	1%	-1.00%
Total	100%	

	TRS	
Measurement Date	June 30, 2021	
	Target Allocation	Long-term expected real rate of return*
Asset Class:		
Domestic Equities	33%	6.80%
International Equities	16%	7.60%
Global Equities	4%	7.10%
Real Estate Equities	11%	6.50%
Private Equities	8%	10.00%
Domestic fixed income securities	16%	1.30%
Global Bonds	2%	0.80%
Private Debt	1%	5.90%
Real Estate Debt	7%	3.30%
High-Yield Bonds	1%	3.80%
Cash Equivalents	1%	-0.20%
	100%	

*Real rates of return are net of long-term inflation assumptions of 2.50% for ERS and 2.40% for TRS

NOTE 11. PENSION PLANS. (Continued)

Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability)would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (5,410,513)	$ 2,101,995	$ 8,385,847

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ 3,541,240	$ 33,746,849	$ 59,132,472

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurements dates were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' total pension asset/(liability)	$ (223,874,888)	$ (130,816,415)
Plan net position	232,049,473	148,148,457
Employers' net pension asset/(liability)	$ 8,174,585	$ 17,332,042
Ration of plan net position to the employers' total pension asset/(liability)	103.65%	113.20%

NOTE 11. PENSION PLANS. (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contributions for the period of April 1, 2021 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $389,936.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2021 through state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued retirement contributions as of June 30, 2022 amounted to $3,808,830.

NOTE 12. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 1,780,379	$ 248,170	$ 275,809	$ 6,240,484
Special Aid Fund	214,285	1,332,600	171,688	0
School Lunch Fund	3,155	58,156	0	0
Capital Fund	643	309,482	6,068,795	175,808
Debt Service Fund	50,348	100,062	0	100,000
Total Governmental Activities	2,048,810	2,048,470	6,516,292	6,516,292
Fiduciary Fund	0	340	0	0
Totals	$ 2,048,810	$ 2,048,810	$ 6,516,292	$ 6,516,292

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

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

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS.

General Information about the OPEB Plan

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

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

- The retiree has attained age 55 years while in the employment of the District and meets the follow service requirements:
    - Service requirements range from 5 to 15 years of service based on the employment category (contract) and date of hire.
- The retiree is receiving retirement benefits from the NYS Employees' Retirement System or the NYS Teachers' Retirement System

The retiree is required to make a contribution towards the cost of coverage; contributions vary not only according to employment category (contract). The District reimburses Medicare Part B premiums for retirees who met the eligibility requirements at the time of retirement. In addition, the District will reimburse Medicare Part B premiums some future retirees.

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

Inactive employees or beneficiaries currently receiving benefit payments	555
Active employees	405
Total Employees Covered by Benefit Terms	960

Total OPEB Liability

The District's total OPEB liability of $235,609,346 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified on the next page:

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Inflation Rate	2.50%
Discount Rate	2.16%
Healthcare Cost Trend Rates	Pre-65: 7.69% for 2020, decreasing to an ultimate rate of 4.50% for 2029 and later years Post-65: 8.68% for 2020, decreasing to an ultimate rate of 4.50% for 2029 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay 2.5% - 20% of the cost of single/family coverage and 15% - 20% for the spouse/family based on years of service with the District.
Future Retirees' Share of Benefit Related Costs	Retirees pay 2.5% - 20% of the cost of single/family coverage and 15% - 20% for the spouse/family based on years of service with the District.

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index.

Mortality rates were based on the PUB-2010 Headcount Weighted Mortality Table projected generationally with MP-2020 from the central year.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2019 - June 30, 2020.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2021	$ 219,310,112
Changes for the Year:	
Service cost	8,005,872
Interest	4,975,852
Differences between expected and actual experience	(523,407)
Changes of Assumptions	8,193,340
Change of Benefit Terms	0
Benefit payments	(4,352,423)
Net Changes	16,299,234
Balance at June 30, 2022	$ 235,609,346

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	$ 281,386,146	$ 235,609,346	$ 199,564,611

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	$ 193,886,018	$ 235,609,346	$ 290,582,477

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 $15,824,984. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,307,553	$ 2,527,529
Changes of Assumptions	26,924,806	6,356,543
District's contributions subsequent to the measurement date	5,215,550	0
Total	$ 34,447,909	$ 8,884,072

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

Fiscal Year Ending June 30,	Amount
2023	$ 2,843,260
2024	4,760,241
2025	6,144,313
2026	4,544,652
2027	1,832,422
Thereafter	223,399

NOTE 12. RISK MANAGEMENT.

General Information

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

Pool, Non-Risk Retained

The District participates in the Orange/Ulster School District Health Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 21 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of the limit, and the District has essentially transferred all related risk to the pool.

NOTE 13. COMMITMENTS AND CONTINGENCIES.

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

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of GASB #16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports $150,732 for accumulating, non-vesting sick leave.

NOTE 14. ENCUMBRANCES

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

General Fund	$	3,333,398
School Lunch Fund		83,789
Capital Projects Fund		694,041
Total Encumbrances	$	4,111,228

NOTE 15. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 16. TAX ABATEMENTS.

The District negotiates property tax abatement agreements on an individual basis. The District has tax abatement agreements with four entities as of June 30, 2022:

Full Assessed Value	Full Tax	PILOT's Received	Tax Abated
$ 5,982,203	$ 769,651	$ 257,157	$ 512,494

Each agreement was negotiated under municipal law, allowing localities to abate property taxes for a variety of development purposes, including business relocation, retention and expansion. The abatements may be granted to any business located within or promising to relocate to a local government's geographic area. Localities may grant abatements up to 50% of annual property taxes through a direct reduction of the entity's property tax bill. The municipal law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

The District has not made any commitments as part of the agreements other than to reduce property taxes. The District is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 17. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 3, 2022, the date that the financial statements were available to be issued. As of this date, there are no subsequent events to report.

NOTE 18. RESTATEMENT OF NET POSITION AND FUND BALANCE.

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 Establishes criteria for the recognition of certain lease assets and liabilities that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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

Governmental Activities

Net Position Beginning of Year, as Previous Stated	$	(106,857,502)
Plus : Change in Accounting Principle, Right to Use Assets, Net - June 30, 2021		538,704
Less: Change in Accounting Principle, Lease Liability - June 30, 2021		(494,658)
Net Position Beginning of Year, as Restated	$	(106,813,456)

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

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability					
Service Cost	$ 8,005,872	$ 6,472,429	$ 5,613,209	$ 4,873,490	$ 5,898,252
Interest Cost	4,975,852	6,981,867	6,936,054	6,036,044	5,280,626
Differences Between Expected and Actual Experiences	(523,407)	(2,813,161)	(354,811)	6,059,669	0
Changes of Assumptions	8,193,340	21,144,436	11,108,849	(3,081,876)	(22,932,781)
Change of Benefit Terms	0	(2,469,087)	0	0	0
Benefit Payments	(4,352,423)	(4,853,214)	(4,100,000)	(3,915,352)	(3,895,465)
Net change in total OPEB liability	16,299,234	24,463,270	19,203,301	9,971,975	(15,649,368)
Total OPEB liability - beginning	219,310,112	194,846,842	175,643,541	165,671,566	181,320,934
Total OPEB liability - ending	$ 235,609,346	$ 219,310,112	$ 194,846,842	$ 175,643,541	$ 165,671,566
Covered-employee payroll	$ 39,835,424	$ 37,723,764	$ 36,443,762	$ 37,149,561	$ 37,067,690
Total OPEB liability as a percentage of covered-employee payroll	591.46%	581.36%	534.65%	472.80%	446.94%

Notes to Schedule:
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits

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

06/30/20	2.21%
06/30/19	3.51%
06/30/18	3.87%
06/30/17	3.58%
06/30/16	2.85%

Underlying claims were updated to reflect the most recent claims experience for the 6/30/20 period.

For the 6/30/20 period, the mortality assumption was the PUB-2010 Headcount Weighted Mortality Table with projection scale MP-2020 varying based on Bargaining Unit Classification.

For the 6/30/20 period, the salary scale was updated to service-based tables from ERS and TRS.

For the 6/30/20 period, healthcare cost trend rates were updated based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on provisions of the benefits sponsored by the District.

*GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

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

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

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) FINAL BUDGET
REVENUES				
LOCAL SOURCES:				
Real Property Taxes	$ 64,572,462	$ 64,572,462	$ 64,514,020	$ (58,442)
Other Tax Items	252,466	252,466	267,490	15,024
Charges for Services	2,699,755	2,776,744	2,682,646	(94,098)
Use of Money & Property	607,843	607,843	722,019	114,176
Sale of Property & Compensation for Loss	105,000	114,800	235,978	121,178
Miscellaneous	375,000	375,000	847,498	472,498
STATE SOURCES	27,887,516	27,887,516	27,522,357	(365,159)
FEDERAL SOURCES	45,000	45,000	458,370	413,370
TOTAL REVENUES	96,545,042	96,631,831	97,250,378	$ 618,547
OTHER FINANCING SOURCES:				
Operating Transfers In	125,000	125,000	275,809	
Appropriated Fund Balance and Reserves	4,834,525	10,789,536	0	
TOTAL REVENUES & OTHER FINANCING SOURCES	$ 101,504,567	$ 107,546,367	$ 97,526,187	

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

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

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
EXPENDITURES					
GENERAL SUPPORT:					
Board of Education	$ 56,247	$ 36,786	$ 27,786	$ 1,873	$ 7,127
Central Administration	1,428,921	1,530,986	1,429,460	23,734	77,792
Finance	55,182	55,246	35,046	10,000	10,200
Staff	489,791	526,304	385,266	84,898	56,140
Central Services	6,845,525	8,344,689	6,022,238	1,884,393	438,058
Special Items	1,218,863	1,141,831	1,108,261	1,973	31,597
INSTRUCTIONAL:					
Instruction, Administration & Improvement	1,224,533	1,164,445	1,057,440	9,101	97,904
Teaching – Regular School	34,812,433	34,041,062	33,050,821	368,297	621,944
Programs for Children with Handicapping Conditions	18,449,309	18,227,463	17,621,221	415,252	190,990
Occupational Education	391,347	453,434	442,145	9,271	2,018
Teaching – Special Schools	90,450	34,262	7,722	571	25,969
Instructional Media	2,944,035	2,921,731	2,233,471	244,730	443,530
PUPIL TRANSPORTATION	4,559,381	5,204,415	4,696,623	261,811	245,981
COMMUNITY SERVICES	20,500	20,500	0	0	20,500
EMPLOYEE BENEFITS	22,891,864	21,703,031	21,276,842	17,494	408,695
DEBT SERVICE:					
Debt Service – Principal	4,944,715	4,944,715	5,362,689	0	(417,974)
Debt Service – Interest	941,471	976,471	855,596	0	120,875
TOTAL EXPENDITURES	101,364,567	101,327,371	95,612,627	3,333,398	2,381,346
OTHER USES:					
Operating Transfers Out	140,000	6,218,996	6,240,483	0	(21,487)
TOTAL EXPENDITURES & OTHER USES	$ 101,504,567	$ 107,546,367	101,853,110	$ 3,333,398	$ 2,359,859
EXCESS (DEFICIT) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES			$ (4,326,923)		

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
District's proportion of the net pension asset/(liability)	0.0257138%	0.0253018%	0.0243519%	0.0263615%	0.0269218%	0.0268400%	0.0277215%
District's proportionate share of the net pension asset/(liability)	$ 2,101,995	$ (25,194)	$ (6,448,533)	$ (1,867,793)	$ (868,888)	$ (2,521,949)	$ (4,449,372)
District's covered-employee payroll	$ 11,785,954	$ 9,361,194	$ 9,268,411	$ 9,004,066	$ 8,888,856	$ 8,610,079	$ 7,820,115
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	17.83%	-0.27%	-69.58%	-20.74%	-9.78%	-29.29%	-56.90%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension asset/(liability)	0.194742%	0.195790%	0.197245%	0.201094%	0.203463%	0.207144%	0.206867%
District's proportionate share of the net pension asset/(liability)	$ 33,746,849	$ (5,410,208)	$ 5,124,433	$ 3,636,304	$ 1,546,522	$ (2,218,599)	$ 21,486,913
District's covered-employee payroll	$ 36,066,745	$ 33,053,890	$ 33,231,768	$ 34,258,691	$ 34,878,991	$ 32,778,391	$ 32,202,894
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	93.57%	-16.37%	15.42%	10.61%	4.43%	-6.77%	66.72%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that the year of implementation was 6/30/14, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

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

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

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
Contractually required contribution	$ 1,448,951	$ 1,343,206	$ 1,309,696	$ 1,313,769	$ 1,313,582	$ 1,260,192	$ 1,366,255
Contributions in relation to the contractually required contribution	1,448,951	1,343,206	1,309,696	1,313,769	1,313,582	1,260,192	1,366,255
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 11,785,954	$ 9,361,194	$ 9,268,411	$ 9,004,066	$ 8,888,856	$ 8,610,079	$ 7,820,115
Contributions as a percentage of its covered-employee payroll	12.29%	14.35%	14.13%	14.59%	14.78%	14.64%	17.47%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution	$ 3,150,036	$ 2,944,335	$ 3,496,461	$ 3,210,079	$ 3,778,788	$ 3,975,322	$ 4,306,617
Contributions in relation to the contractually required contribution	3,150,036	2,944,335	3,496,461	3,210,079	3,778,788	3,975,322	4,306,617
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 36,066,745	$ 33,053,890	$ 33,231,768	$ 34,258,691	$ 34,878,991	$ 32,778,391	$ 32,202,894
Contributions as a percentage of its covered-employee payroll	8.73%	8.91%	10.52%	9.37%	10.83%	12.13%	13.37%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that the year of implementation was 6/30/14, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

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

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

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	$ 98,620,036
ADDITIONS:	
Encumbrances from Prior Year	2,884,536
ORIGINAL BUDGET	101,504,567
BUDGET REVISIONS:	
Budget Amendments for Appropriation from Reserves:	
Capital Reserve	5,250,000
Budget Amendment for Pine Island Fire Alarm	100,000
Budget Amendments for Sanfordville Chiller	400,000
Budget Amendment for Wall Repair	14,800
Budget Amendment for BOCES ELC Grant	77,000
Budget Amendment for Pine Island Water System	200,000
REVISED BUDGET	$ 107,546,367

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022–2023 Voter-approved expenditure budget maximum allowed (4% of 2022–2023 budget, $101,729,239)		$ 4,069,170
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 4,733,398	
Unassigned Fund Balance	4,153,465	
Total Unrestricted Fund Balance	8,886,863	
Less:		
Appropriated Fund Balance	1,400,000	
Encumbrances Included in Committed and Assigned Fund Balance	3,333,398	
Total Adjustments	4,733,398	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 4,153,465
Actual Percentage		4%

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

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

			EXPENDITURES TO DATE				METHODS OF FINANCING			FUND
	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	CURRENT YEAR	TOTAL	UNEXPENDED BALANCE	PROCEEDS FROM DEBT	STATE & LOCAL SOURCES	TOTAL	BALANCE JUNE 30, 2022
Phase III Renovation	$ 8,000,000	$ 8,000,000	$ 8,005,510	0	$ 8,005,510	$ 8,791	$ 4,875,000	$ 3,125,000	$ 8,000,000	$ (5,510)
Smart School Bond Act	2,213,192	2,212,633	2,162,611	0	2,162,611	50,022	0	2,162,611	2,162,611	0
Buses 2016-2017	591,000	591,000	591,000	0	591,000	0	0	591,000	591,000	0
District-wide Reconstruction	10,800,000	10,800,000	10,797,767	0	10,797,767	2,233	6,570,000	4,230,000	10,800,000	2,233
High School Security Upgrades - Emergency Project	200,000	200,000	200,000	0	200,000	0	0	200,000	200,000	0
Buses - 2018	510,000	510,000	501,511	0	501,511	8,489	0	401,217	401,217	(100,294)
Middle School Generator	400,000	400,000	399,999	0	399,999	1	0	400,000	400,000	1
Buses - 2019	485,000	485,000	466,059	0	466,059	18,941	0	406,782	406,782	(59,277)
Library Technology Project	400,000	395,932	394,410	0	394,410	1,522	395,932	0	395,932	1,522
Sanfordville Elementary Boiler - Emergency Project	150,000	150,000	150,000	0	150,000	0	0	150,000	150,000	0
High School Pool Boiler - Emergency Project	35,000	35,000	34,370	0	34,370	630	0	0	0	(34,370)
Buses - 2020	608,000	608,000	607,325	0	607,325	675	0	452,952	452,952	(154,373)
Bus - Emergency Purchase	70,000	70,000	70,000	0	70,000	0	0	70,000	70,000	0
High School Auditorium Wall	250,000	250,000	56,747	193,253	250,000	0	0	250,000	250,000	0
Buses - 2021	599,000	599,000	596,367	0	596,367	2,633	0	359,800	359,800	(236,567)
COVID Projects	247,500	247,500	247,500	0	247,500	0	0	247,500	247,500	0
Emergency Boiler Repairs - High School	100,000	118,795	0	118,795	118,795	0	0	118,795	118,795	0
Buses - 2021-2022	550,000	550,000	0	499,192	499,192	50,808	0	250,000	250,000	(249,192)
District Wide Renovations	13,812,154	13,812,154	0	639,068	639,068	13,173,086	0	5,000,000	5,000,000	4,360,932
Pine Island Fire Alarms	100,000	100,000	0	72,810	72,810	27,190	0	100,000	100,000	27,190
Sanfordville Chiller	400,000	400,000	0	24,012	24,012	375,988	0	400,000	400,000	375,988
UV Middle School Project	100,000	100,000	0	98,946	98,946	1,054	0	100,000	100,000	1,054
Pine Island Water	200,000	200,000	0	0	0	200,000	0	200,000	200,000	200,000
	$ 40,820,846	$ 40,835,014	$ 25,281,176	$ 1,646,076	$ 26,927,252	$ 13,922,063	$ 11,840,932	$ 19,215,657	$ 31,056,589	$ 4,129,337

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

CAPITAL ASSETS, NET		$ 84,383,685
RIGHT TO USE ASSETS, NET		223,147.00
ADDITIONS:		
Unspent Capital Asset Financing	$ 3,755	
Deferred Charges on Refunding	71,129	
Total Additions		74,884
DEDUCTIONS:		
Bond Anticipation Notes Payable	$ 859,045	
Short-term Portion of Bonds Payable	2,505,487	
Long-term Portion of Bonds Payable	16,421,653	
Short-term Portion of Installment Debt	740,854	
Long-term Portion of Installment Debt	5,787,635	
Short-term Portion of Lease Liability	177,349	
Total Deductions		(26,492,022)
NET INVESTMENT IN CAPITAL ASSETS		$ 58,189,694

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 2022

	DATE OF ORIGINAL ISSUE	MATURITY	INTEREST RATE	OUTSTANDING BEGINNING OF FISCAL YEAR	ISSUED DURING YEAR	PAID DURING YEAR	OUTSTANDING END OF YEAR	AMOUNT OF INTEREST PAID DURING FISCAL YEAR	AMOUNT OF INTEREST ACCRUED AT JUNE 30, 2022
BANS PAYABLE									
Buses	7/23/20	7/23/21	0.88%	$ 874,091	$ 0	$ 874,091	$ 0	$ 7,692	$ 0
Buses	7/22/21	7/21/22	0.31%	0	859,045	0	859,045	0	2,503
Total Short Term				874,091	859,045	874,091	859,045	7,692	2,503
BONDS PAYABLE									
Serial Bond – Advanced Refunding	12/15/2014	1/15/2022	Various	790,000	0	790,000	0	23,700	0
Serial Bond – Advanced Refunding	4/16/2015	6/15/2023	5.000%	2,405,000	0	1,715,000	690,000	120,250	1,418
Serial Bond – Advanced Refunding	8/10/2016	5/15/2037	Various	5,085,000	0	220,000	4,865,000	207,850	30,656
Serial Bond - Construction	7/2/2018	6/15/2034	Various	4,160,000	0	320,000	3,840,000	117,488	3,156
Serial Bond – Advanced Refunding	3/25/2021	6/15/2027	Various	2,865,000	0	515,000	2,350,000	67,500	966
Serial Bond - Construction	6/29/2021	6/15/2029	Various	6,570,000	0	450,000	6,120,000	119,232	2,515
Total Bonds				21,875,000	0	4,010,000	17,865,000	656,020	38,711
INSTALLMENT DEBT									
2013 Contract	6/26/2013	6/26/2028	2.78%	2,058,756	0	270,476	1,788,280	57,233	545
2017 Energy Performance Contract	08/17/17	07/15/32	2.495%	4,854,000	0	341,000	4,513,000	116,853	51,210
2019 Municipal Equipment Lease	05/20/19	07/15/23	4.790%	238,980	0	75,963	163,017	11,448	7,488
2022 Municipal Equipment Lease	06/01/22	06/01/24	5.370%	0	98,894	34,703	64,191	0	274
Total Installment Debt				7,151,736	98,894	722,142	6,528,488	185,534	59,517
LEASES PAYABLE									
BOCES IPA #8	06/15/20	06/15/23	Var.	133,590	0	66,481	67,109	1,261	0
BOCES IPA #9	06/15/20	06/15/23	Var.	219,448	0	109,208	110,240	2,072	0
BOCES IPA #10	06/15/19	06/15/22	Var.	141,620	0	141,620	0	3,017	0
Total Installment Debt				494,658	0	317,309	177,349	6,350	0
TOTAL INDEBTEDNESS				$ 30,395,485	$ 957,939	$ 5,923,542	$ 25,429,882	$ 855,596	$ 100,731

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

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

To the President and Members
of the Board of Education of the
Warwick Valley Central School District
Warwick, New York 10990

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Warwick Valley Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Warwick Valley Central School District's basic financial statements and have issued our report thereon dated October 3, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Nugent + Haeussler, P.C.

Montgomery, New York
October 3, 2022

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

To the President and Members
of the Board of Education of the
Warwick Valley Central School District
Warwick, New York 10990

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Nugent + Haeussler, P.C.

Montgomery, New York
October 3, 2022

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed-through NYS Education Department:				
Child Nutrition Cluster:				
Cash Assistance				
Summer Food Service Program for Children	10.559	N/A	$ 0	$ 732,477
Cash Assistance Subtotal			0	732,477
Non-Cash Assistance (food distribution)				
Commodity Supplemental Food Program	10.555	N/A	0	63,151
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER			0	795,628
U.S. DEPARTMENT OF EDUCATION				
Passed-through NYS Education Department:				
Special Education Cluster:				
IDEA – Part B, Section 611	84.027A	0032-21-0699	0	43,524
IDEA – Part B, Section 611	84.027A	0032-22-0699	349,012	710,991
IDEA – Part B, Section 619	84.173A	0033-22-0699	7,233	28,108
Total Special Education Cluster			356,245	782,623
Education Stabilization Funds Under the Coronavirus				
Elementary and Secondary School Emergency Relief Fund (ESSER1)	84.425D	5890-21-2290	0	28,350
Governor's Emergency Education Relief (GEER1)	84.425C	5895-21-2290	0	28,962
Elementary and Secondary School Emergency Relief Fund (ESSER2)	84.425D	5891-22-2290	225,753	512,602
Governor's Emergency Education Relief (GEER2)	84.425C	5896-22-2290	55,000	454,501
APR Summer Enrichment Learning (ESSER3)	84.425U	5880-22-2290	0	365,106
ARP After School Grant (ESSER 1%)	84.425U	5883-22-2290	0	4,130
ARP Universal Pre-K	84.425U	5871-22-9043	0	411,750
ARP Lost Instruction Time (ESSER 5%)	84.425U	5884-22-2290	0	59,809
Total Education Stabilization Funds Under the Coronavirus			0	1,865,210
Title I Parts A&D, Basic Program	84.010A	0021-21-2290	0	39,566
Title I Parts A&D, Basic Program	84.010A	0021-22-2290	0	219,482
Title II Part A, Teacher & Principal Training & Recruiting	84.367A	0147-21-2290	0	7,611
Title II Part A, Teacher & Principal Training & Recruiting	84.367A	0147-22-2290	0	69,593
Title IV Part A	84.424A	0204-22-2290	0	9,600
Total Passed-through NYS Education Department			636,998	2,993,685
TOTAL U.S. DEPARTMENT OF EDUCATION			636,998	2,993,685
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Passed-through Centers for Disease Control and Prevention (CDC):				
Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC)	93.323	N/A	0	76,989
TOTAL FEDERAL AWARDS EXPENDED			$ 636,998	$ 3,866,302

The accompanying notes are an integral part of the schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION.

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

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

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

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

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

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $63,151 of commodities under the Commodity Supplemental Food Program (Federal Assistance Listing Number 10.555).

NOTE 3. OTHER DISCLOSURES.

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

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS
Type of Auditor's Opinion Issued: Unmodified

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

FEDERAL AWARDS

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR-200.516(a)??	____	Yes	X	No

IDENTIFICATION OF MAJOR PROGRAMS:

FEDERAL ASSISTANCE LISTING NUMBERS	NAME OF FEDERAL PROGRAM OR CLUSTER
84.425	Education Stabilization Funds

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

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

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements which were required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance.

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance.

NH

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

To the President and Members
of the Board of Education of the
Warwick Valley Central School District
Warwick, New York 10990

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Warwick Valley Central School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Nugent + Haeussler, P.C.

Montgomery, New York
October 3, 2022

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE – CASH BASIS
JUNE 30, 2022

ASSETS

Cash	$ 211,542

FUND BALANCE

Fund Balance, Beginning of Year	$ 186,529
Excess of Receipts over Disbursements	25,013
Fund Balance, End of Year	$ 211,542

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - HIGH SCHOOL
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	CASH BALANCE JUNE 30, 2021	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2022
Class of 2021	$ 3,276	$ 0	$ 3,276	$ 0
Class of 2022	2,874	40,963	41,387	2,450
Class of 2023	1,154	49,929	47,482	3,601
Class of 2024	1,205	1,437	950	1,692
Class of 2025	0	1,321	670	651
Art Club	977	460	123	1,314
Autism Club	703	1,051	500	1,254
Band	7,795	10,855	12,554	6,096
Cats Meow Club	773	0	0	773
Chorus	3,245	40,472	38,901	4,816
Drama Club	28,169	18,522	17,108	29,583
Empty Bowls	2,139	1,846	3,468	517
Environmental Club	2,024	744	1,512	1,256
FBLA	295	0	0	295
FFA	5,911	7,949	5,099	8,761
Homecoming Club	800	2,956	3,178	578
Interact Club	64	1,695	775	984
Mock Trial	0	60	0	60
Model UN	15	0	0	15
Mu Alpha Theta	1,245	1,018	693	1,570
National Honor Society	1,779	3,477	4,503	753
OCAL	26	0	0	26
Omega Yearbook	5,092	3,392	3,015	5,469
Orchestra Club	737	14,243	12,001	2,979
Physics	719	726	294	1,151
Robotics / Lego League	4,298	0	0	4,298
SADD	2,740	282	461	2,561
Sales Tax	1,864	8,710	8,064	2,510
Senior Project	572	0	0	572
Strings N Things	0	357	0	357
Studio Music Club	0	2,854	963	1,891
Student Senate	44,708	5,618	3,835	46,491
Survey	168	0	0	168
Wire Choir	8,219	0	4,311	3,908
Youth-in-Government	78	0	0	78
	$ 133,664	$ 220,937	$ 215,123	$ 139,478

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - MIDDLE SCHOOL
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	CASH BALANCE JUNE 30, 2021	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2022
Band	$ 3,336	$ 22,125	$ 20,169	$ 5,292
Drama Club	17,728	18,194	14,241	21,681
Guitar Club	3,099	1,510	1,400	3,209
Junior FFA	211	0	0	211
Mileage Club	1,392	2,573	2,374	1,591
National Junior Honor Society	10,577	7,539	3,399	14,717
Odyssey of the Mind	10,120	22,582	14,306	18,396
Sales Tax	230	988	664	554
Student Senate	6,142	7,412	8,112	5,442
Ukulele	30	8,333	7,392	971
	$ 52,865	$ 91,256	$ 72,057	$ 72,064

See notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

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

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

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