**NEW & RENEWAL ISSUE** **BOND ANTICIPATION NOTES**

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

*The Notes will NOT be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.*

# $10,900,000

# ORISKANY CENTRAL SCHOOL DISTRICT

## ONEIDA COUNTY, NEW YORK

**GENERAL OBLIGATIONS**

## $2,400,000 Bond Anticipation Notes, 2023 Series A

**(the "Series A Notes")**

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

**&**

## $8,500,000 Bond Anticipation Notes, 2023 Series B

**(the "Series B Notes")**

**Dated: July 6, 2023** **Due: July 5, 2024**

**(collectively referred to herein as the "Notes")**

The Notes are general obligations of the Oriskany Central School District, Oneida County, New York (the "District" or "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 "THE NOTES – Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity.

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

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

The Series A Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about June 29, 2023.

The Series B Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about July 6, 2023.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 14, 2023 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sales. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sales.**

June 1, 2023

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALES WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – D, MATERIAL EVENT NOTICES" HEREIN.

# ORISKANY CENTRAL SCHOOL DISTRICT
## ONEIDA COUNTY, NEW YORK

## SCHOOL DISTRICT OFFICIALS

### 2022-2023 BOARD OF EDUCATION

JAMES CHASE
President

CARL GRAZIADEI
Vice President

MICHELLE ANDERSON
LOUIS CIOTTI
BRIAN JUDYCKI
AMY MAYO
THERESE HANNA

* * * * * * * * *

TIMOTHY J. GAFFNEY
Superintendent of Schools

MICHELLE S. TIKALSKY
School Business Executive

COLLEEN ZUMBURN
Treasurer

FERRARA FIORENZA P.C.
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized by Oriskany 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 Oriskany Central School District.

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**PREPARED WITH THE ASSISTANCE OF**


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

**OFFICIAL STATEMENT**

**OF THE**

# ORISKANY CENTRAL SCHOOL DISTRICT

## ONEIDA COUNTY, NEW YORK

**RELATING TO**

## $2,400,000 Bond Anticipation Notes, 2023 Series A
## &
## $8,500,000 Bond Anticipation Notes, 2023 Series B

This Official Statement, which includes the cover page, has been prepared by the Oriskany Central School District, Oneida County, New York (the "School District" or the "District", "County", and "State", respectively) in connection with the sale by the School District of $2,400,000 Bond Anticipation Notes, 2023 Series A (referred to herein as the "Series A Notes") and $8,500,000 Bond Anticipation Notes, 2023 Series B (referred to herein as the "Series B Notes") (collectively referred to herein as the "Notes").

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

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

## THE NOTES

### 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 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, ensuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

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

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

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

**Description of the Notes**

The Notes are general obligations of the 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 “THE NOTES - Nature of the Obligations” and “TAX LEVY LIMITATION LAW” herein.

The Series A Notes are dated June 29, 2023 and mature, without option of prior redemption, on June 28, 2024. The Series B Notes are dated July 6, 2023 and mature, without option of prior redemption, on July 5, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

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.

**No Optional Redemption**

The Notes are not subject to redemption prior to maturity.

**Purpose of Issue – Series A Notes**

On December 14, 2021, the qualified voters of the District approved a proposition authorizing the District to pay the cost of the renovations and additions of school buildings and facilities at maximum estimated cost of $13,000,000. The project will be funded with $2,000,000 capital reserve funds and $11,000,000 serial bonds. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on December 21, 2021.

The proceeds of the Series A Notes, along with $100,000 paydown, will redeem and renew $2,500,000 bonds anticipation notes maturing June 30, 2023 for the aforementioned purpose.

**Purpose of Issue – Series B Notes**

On December 14, 2021, the qualified voters of the District approved a proposition authorizing the District to pay the cost of the renovations and additions of school buildings and facilities at maximum estimated cost of $13,000,000. The project will be funded with $2,000,000 capital reserve funds and $11,000,000 serial bonds. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on December 21, 2021.

The proceeds of the Series B Notes will provide new monies for the aforementioned purpose.

## BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes, if the Purchaser so elects. 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 the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

### Certificated Notes

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

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

## THE SCHOOL DISTRICT

### General Information

The Oriskany Central School District is located in the Towns of Whitestown, Floyd and Marcy and the City of Rome in Oneida County. The School District was organized as a central school district in 1932 and is located approximately seven miles west of Rome and seven miles east of Utica. The School District covers approximately 25 square miles and has an estimated population of 4,172 (2017-2021 U.S. Census American Community Survey 5-Year estimate).

The School District is primarily residential and agricultural in culture. The Village of Oriskany serves as the commercial and retail center within the School District. The majority of the School District's residents are employed in the Rome, Utica and Syracuse areas. The recently announced plan by Micron Technologies to construct a memory chip fabrication facility in nearby Clay, NY, is projected by Micron representatives to provide up to fifty thousand jobs over the next twenty years. The planned chip manufacturing plant may provide job opportunities for local residents as well as the opportunities provided by the recently completed Wolfspeed chip manufacturing plant in nearby Marcy, NY

The School District is served by New York State Routes 49 and 69 and the New York State Thruway. Air transportation to major metropolitan areas is available at both the Utica and Syracuse airports.

Electricity and natural gas are provided by National Grid and telephone service is provided by Verizon New York Inc. Police protection is provided by the Village of Oriskany, the County Sheriff's Department and the New York State Police. Fire protection and ambulance service are provided by various volunteer organizations.

The School District provides education for grades PreK-12. The School District operates one elementary school, a junior-senior high school, an administrative/business office building, a maintenance garage and two bus garage locations. All School District buildings have been continuously upgraded since 1990. Higher education is available at the many colleges and universities in the Utica and Rome area.

Source: District officials.

**District Population**

The estimated population of the School District is 4,172.

Source: U.S. Census, 2017-2021 American Community Survey 5-Year estimates.

**Larger Employers**

The following is a summary of the major employers located in the School District:

| Name | Type | Approximate # Employees |
|---|---|---|
| Mid-State Correctional Facilities | Correctional Facility | 1,700 |
| Wal-Mart, Inc. | Retail Goods Distribution Center | 1,100 |
| Metropolitan Life Insurance Company | Insurance | 1,000 |
| Orion Bus Industries | Manufacturer - Buses | 750 |
| Bank of New York | Financial Institution | 500 |

Source: School District officials.

**Selected Wealth and Income Indicators**

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

| | Per Capita Income | | | Median Family Income | | |
|---|---|---|---|---|---|---|
| | 2006-2010 | 2016-2020 | 2017-2021 | 2006-2010 | 2016-2020 | 2017-2021 |
| City of: | | | | | | |
| Rome | $ 21,989 | $ 26,731 | $ 27,240 | $ 55,630 | $ 66,714 | $ 69,224 |
| County of: | | | | | | |
| Oneida | 23,458 | 30,678 | 32,119 | 58,017 | 74,796 | 78,281 |
| Towns of: | | | | | | |
| Floyd | 23,647 | 36,198 | 35,851 | 66,439 | 87,339 | 89,423 |
| Marcy | 18,842 | 29,101 | 29,877 | 82,099 | 97,424 | 109,148 |
| Whitestown | 27,192 | 33,388 | 36,182 | 66,969 | 77,391 | 85,236 |
| State of: | | | | | | |
| New York | 23,389 | 40,898 | 43,208 | 51,691 | 87,270 | 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, 2006-2010, 2016-2020, and 2017-2021 American Community 5-year data.

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**Unemployment Rate Statistics**

Unemployment statistics are not available for the School District as such. The information set forth below with respect to Oneida 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 is necessarily representative of the School District, or vice versa.

**Annual Averages**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| Oneida County | 5.4% | 4.9% | 5.0% | 4.4% | 4.1% | 7.8% | 5.1% | 3.5% |
| New York State | 5.2% | 4.9% | 4.6% | 4.1% | 3.8% | 9.9% | 6.9% | 4.3% |

**2023 Monthly Figures**

| | Jan | Feb | Mar | Apr | May |
|---|---|---|---|---|---|
| Oneida County | 4.3% | 3.9% | 3.5% | N/A | N/A |
| New York State | 4.6% | 4.5% | 4.0% | N/A | N/A |

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

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

**Form of School Government**

The Board of Education which is the policy-making body of the School District, consists of seven 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 School District and no Board member may hold certain other district offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

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

**Budgetary Procedures and Recent Budget Votes**

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

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the 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 third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

*Recent Budget Votes*

The budget for the 2022-23 fiscal year was approved by the qualified voters on May 17, 2022 by a vote of 115 yes to 25 no. The adopted budget included a total tax levy increase of 4.54%, which was equal to the District's Tax Cap of 4.54% 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 252-53. The adopted budget included a tax levy increase of 2.11%, which was equal to the District's maximum allowable tax levy increase of 2.11% for the 2023-24 fiscal year.

**Investment Policy**

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

The School District has adopted its own Investment Policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The Policy prohibits investing through any private entity or brokerage firm and provides for written security agreements and/or custodial agreements with each commercial bank or trust company.

**State Aid**

The District receives financial assistance from the State. In its adopted budget for the 2023-2024 fiscal year, approximately 51.80% of the revenues of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

The Tax Cuts and Jobs Act also made extensive changes to the deductibility of various taxes, including placing a cap of $10,000 on a taxpayer's deduction of state and local taxes (the "SALT Deduction Limitation"). While it cannot yet be predicted what precise effects the SALT Deduction Limitation will have for the State, it is possible that government officials at both the State and local level may find it politically more difficult to raise new revenues via tax increases, since the deduction thereof, for taxpayers who itemize deductions, is now limited.

*Federal Aid Received by the State*

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

The District expects to receive $1,077,783 in funds from the American Rescue Plan.

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

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

*Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2023-2024 preliminary building aid ratios, the District State Building aid of approximately 81.4% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

*State Aid History*

*School district fiscal year (2017-2018):* The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

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

*School district fiscal year (2020-2021):* Due to the extraordinary challenges from the COVID-19 health crisis creating a significant loss in revenue to the State, the State's Enacted 2020-2021 Budget includes a total of $27.9 billion State aid, which is essentially the same amount of State aid to school districts included in the State's 2019-2020 Enacted Budget. The State's Enacted 2020-2021 Budget includes a "pandemic adjustment" for each school district, a reduction in State funding that will match how much school districts expect to receive from the federal CARES stimulus program. In addition, the State's Enacted 2020-2021 Budget authorizes the State Budget Director to make uniform reductions to appropriations (including the appropriations for State aid to school districts) if the State's Enacted 2020-2021 Budget becomes unbalanced because revenues fall below projections or expenditures rise above projections during a given period. The proposed reductions would be shared with the Legislature which would then have 10 days to prepare and adopt their own plan. If the Legislature does not do so, the Budget Director's proposed reductions would go into effect automatically.

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

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

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

*State Aid Litigation*

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

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

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

**State Aid Revenues**

The following table illustrates the percentage of total revenues of the District for each of the five most recently completed fiscal years, budgeted and unaudited figures for the 2022-2023 and budgeted figures for the 2023-2024 fiscal year comprised of State aid.

| Fiscal Year | Total Revenues [1] | Total State Aid | Percentage of Total Revenues Consisting of State Aid |
|---|---|---|---|
| 2017-18 | $13,994,811 | $7,334,298 | 52.41% |
| 2018-19 | 13,778,297 | 7,230,171 | 52.48 |
| 2019-20 | 14,179,799 | 7,508,052 | 52.95 |
| 2020-21 | 15,215,186 | 7,723,275 | 50.76 |
| 2021-22 | 14,794,369 | 7,818,088 | 52.85 |
| 2022-23 (Budgeted) | 14,910,058 | 6,781,525 | 45.48 |
| 2022-23 (Unaudited) | 15,006,830 [2] | 7,756,698 [2] | 51.69 |
| 2023-24 (Budgeted) | 15,359,293 | 7,956,698 | 51.80 |

(1) General fund only, does not include inter-fund transfers or reserve funds.
(2) The unaudited figures for the 2022-2023 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Source: Audited Financial Statements for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year and the adopted budget and unaudited figures for the 2022-2023 fiscal year and budgeted figures for the 2023-2024 fiscal year. This table is not audited.

**District Facilities**

The District operates the following facilities:

| Name | Grades | Capacity | Year Built | Date of Last Alteration |
|---|---|---|---|---|
| N. A. Walbran Elementary School | PK-6 | 765 | 1960 | 2016 |
| Junior/Senior High School | 7-12 | 715 | 1933 | 2016 |

Source: School District officials.

**Enrollment Trends**

| School Year | Actual Enrollment | School Year | Projected Enrollment |
|---|---|---|---|
| 2018-19 | 588 | 2023-24 | 588 |
| 2019-20 | 606 | 2024-25 | 588 |
| 2020-21 | 567 | 2025-26 | 585 |
| 2021-22 | 588 | 2026-27 | 580 |
| 2022-23 | 591 | 2027-28 | 580 |

Source: School District officials.

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**Employees**

The School District employs approximately 114 full-time employees. The following table sets forth a breakdown of employee representation by collective bargaining unit and the dates of expiration of the various collective bargaining agreements:

| Employees | Union Representation | Contract Expiration Date |
|---|---|---|
| 75 | Oriskany Teachers' Association | June 30, 2025 |
| 32 | Non-Teaching Employees’ Association | June 30, 2025 |
| 3 | Oriskany Administrators’ Association | June 30, 2026 |

Source: School 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, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees 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 fiscal years 2018-2019 through and including 2022-2023 and proposed budgeted figures for the 2023-2024 fiscal years are as follows:

| Fiscal Year | ERS | TRS |
|---|---|---|
| 2018-19 | $ 122,627 | $ 469,401 |
| 2019-20 | 121,658 | 409,551 |
| 2020-21 | 117,042 | 446,151 |
| 2021-22 | 118,249 | 487,774 |
| 2022-23 | 106,470 | 520,418 |
| 2023-24 (Proposed) | 120,311 | 570,517 |

Source: District officials.

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

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The School District offered early retirement incentives in the 2021-2022 and 2022-2203 fiscal years. In the 2021-2022 fiscal year, one employee participated and the cost of the incentives were $55,000. In the 2022-2023 fiscal year, two employees participated and the cost of the incentives were $25,000 each.

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

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

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

*Estimated

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The School District established a TRS reserve fund on April 23, 2019 and the current balance as of the date of this Official Statement is $243,124.

**Other Post-Employment Benefits**

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

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

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

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

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2021 and 2022 fiscal years, by source.

| Fiscal Year End June 30: | 2021 | 2022 |
|---|---|---|
| Balance Beginning of Fiscal Year | $ 28,050,337 | $ 28,124,336 |
| Changes for the Year: | | |
| Service cost | $ 1,276,867 | $ 1,394,524 |
| Interest | 642,856 | 632,182 |
| Effect of Plan Changes | (70,887) | 0 |
| Effect of demographic gains or losses | (3,629,579) | 0 |
| Changes in assumptions and other inputs | 2,334,754 | (6,481,440) |
| Benefit payments | (480,012) | (505,005) |
| Net Changes | 73,999 | (4,959,739) |
| Balance at End of Fiscal Year | $ 28,124,336 | $ 23,164,597 |

Source: Audited financial statements.

Note: The above table is not audited. For additional information see "APPENDIX - E" attached hereto.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2021 and June 30, 2022.

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

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

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

**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 financial information of the School District can also be found attached as additional Appendices to the Official Statement.

The School District complies with the Uniform System of Accounts as prescribed 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).

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

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*Unaudited Results for Fiscal Year Ending June 30, 2023:*

The District expects to end the fiscal year ending June 30, 2023 with an unassigned fund balance of $681,595.

Summary anticipated unaudited information for the General Fund for the period ending June 30, 2023 is as follows:

| | |
|---|---|
| Revenues: | $ 15,006,830 |
| Expenditures: | $ 13,437,152 |
| Excess (Deficit) Revenues Over Expenditures: | $ 1,569,678 |
| Total Fund Balance at June 30, 2022: | $ 6,916,794 |
| Total Fund Balance at June 30, 2023: | $ 7,295,805 |

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom

**New York State Comptroller Report 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.

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

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

**The State Comptroller's Fiscal Stress Monitoring System**

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

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

The classification of the District for the below fiscal years are as follows:

| Fiscal Year Ending In | Stress Designation | Fiscal Score |
|---|---|---|
| 2022 | No Designation | 0.0 |
| 2021 | No Designation | 0.0 |
| 2020 | No Designation | 0.0 |

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

**Other Information**

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

The School District has complied with the procedures for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the School District is past due. See "CONTINUING DISCLOSURE – Historical Disclosure Compliance" for information relating to the School District's debt payments.

The fiscal year of the School 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 Valuations** [1]

| Years Ending June 30: | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Assessed Valuation | $ 216,017,512 | $ 214,541,844 | $ 212,249,883 | $ 213,613,328 | $ 216,740,810 |
| Full Valuation [2] | 303,498,678 | 325,201,666 | 333,511,439 | 338,737,639 | 382,482,084 |
| Full Valuation [3] | 343,229,237 | 342,981,593 | 346,246,937 | 355,553,227 | 411,124,060 |

(1) See "APPENDIX – C" and "APPENDIX - C1" for computations of Taxable Full Valuations, made with the use of regular State Equalization Rates and special State Equalization Ratios.
(2) Full Valuation computed using regular State Equalization rates.
(3) Full Valuation computed using special State Equalization ratios.

**Tax Rate Per $1,000 (Assessed)**

| Years Ending June 30: | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| City of: | | | | | |
| Rome | $ 26.92 | $ 28.05 | $ 28.78 | $ 28.53 | $ 31.55 |
| Towns of: | | | | | |
| Floyd | 21.67 | 22.58 | 23.05 | 22.58 | 23.77 |
| Marcy | 26.72 | 26.44 | 27.73 | 28.36 | 28.32 |
| Whitestown | 26.69 | 30.66 | 31.37 | 32.64 | 33.20 |

Source: District officials.

**Tax Levy and Tax Collection Record**

| Years Ending June 30: | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Total Tax Levy | $ 5,919,538 | $ 6,051,815 | $ 6,158,000 | $ 6,331,405 | $ 6,618,827 |
| Amount Returned to the Counties [1] | 154.984 | 219,472 | 199,083 | 170,252 | 282,784 |
| % Uncollected when Due | 2.6% | 3.6% | 3.2% | 2.7% | 4.2% |

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

Source: District officials.

**Tax Collection Procedure**

School taxes are due September 1. The first installment collection period will begin on September 3 and end on October 2. No penalty is imposed if payment is made in full. A second collection period will begin on October 3 and will end on November 5 with a 5% penalty assessed on unpaid balances after the first collection period. On November 15, a list of all unpaid taxes is given to the County Treasurer for re-levy on the County/Town tax rolls.

The School District is reimbursed by the County for all unpaid taxes the first week in April of each year and is thus assured of 100% collection of its annual levy.

**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 and unaudited figures for the 2022-2023 and proposed budget figures for the 2023-2024 fiscal year comprised of Real Property Taxes.

| Fiscal Year | Total Revenues (1) | Total Real Property Taxes | Percentage of Total Revenues Consisting of Real Property Tax |
|---|---|---|---|
| 2017-18 | $13,994,811 | $5,993,169 | 42.82% |
| 2018-19 | 13,778,297 | 6,058,472 | 43.97 |
| 2019-20 | 14,179,799 | 6,221,841 | 43.88 |
| 2020-21 | 15,215,186 | 6,333,492 | 41.63 |
| 2021-22 | 14,794,369 | 6,515,080 | 44.74 |
| 2022-23 (Budgeted) | 14,910,058 | 6,618,827 | 44.39 |
| 2022-23 (Unaudited) | 15,006,830 (2) | 6,828,674 (2) | 45.50 |
| 2023-2024 (Proposed) | 15,359,293 | 6,761,365 | 44.02 |

(1) General fund only, does not include inter-fund transfers or reserve funds.
(2) The unaudited figures for the 2022-2023 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Source: Audited Financial Statements for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year and the adopted budget and preliminary unaudited figures for the 2022-2023 fiscal year and proposed budget figures for the 2023-2024 fiscal year. This table is not audited.

**Ten Larger Taxpayers 2022 for 2022-2023 Tax Roll**

| Name | Type | Taxable Assessed Valuation |
|---|---|---|
| Wal-Mart, Inc. | Warehouse | $ 33,670,000 |
| Metropolitan Life | Insurance Company Offices | 6,100,000 |
| National Grid | Utility | 5,441,618 |
| Bank of New York Mellon | Financial Institution | 4,130,000 |
| Horsht, LLC | Manufacturing | 3,021,000 |
| Anthony Dinitto | Dairy Farm | 1,931,500 |
| CSX | Railroad | 1,674,925 |
| The Magnolia | Apartments | 1,278,500 |
| Monument Agency, Inc. | Office Building | 1,235,300 |
| Base Road Development, LLC | Manufacturing | 1,159,990 |

The ten larger taxpayers listed above have a total taxable assessed valuation of $59,642,833, which represents 27.52% of the tax base of the District for the 2022-23 fiscal year.

The District has no tax certiorari proceedings pending at this time. The District currently has a reserve established for $105,945 to be used for such payments.

Source: School District officials.

**Additional Tax Information**

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

Senior citizens' exemptions are offered to those who qualify.

The estimated total annual property tax bill of a $75,000 market value residential property located in the School District is approximately $3,531 including County, Town and School District taxes.

**STAR – School Tax Exemption**

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

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

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

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

| Municipality | Enhanced Exemption | Basic Exemption | Date Certified |
|---|---|---|---|
| City of Rome | $ 49,680 | $ 18,310 | 10/13/2022 |
| Town of Floyd | 55,350 | 21,630 | 4/6/2023 |
| Town of Marcy | 50,470 | 18,600 | 4/6/2023 |
| Town of Whitestown | 43,140 | 15,900 | 4/6/2023 |

$880,000 of the District's $6,331,405 school tax levy for the 2021-2022 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2022.

$783,281 of the $6,618,827 2022-2023 school tax levy was exempted by the STAR Program. The School District received full reimbursement of such exempt taxes from the State in January 2023.

Note: The anticipated 2023-2024 school tax levy amount is not available as of the date of this Official Statement.

## TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

## STATUS OF INDEBTEDNESS

### Constitutional Requirements

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

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

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

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

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

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

**Statutory Procedure**

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

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

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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.

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

**Debt Outstanding End of Fiscal Year**

| Fiscal Years Ending June 30: | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Bonds | $ 6,160,000 | $ 5,480,000 | $ 7,245,000 | $ 6,440,000 | $ 5,565,000 |
| Bond Anticipation Notes | 0 | 2,991,600 | 0 | 0 | 2,500,000 |
| Revenue/Tax Anticipation Notes | 0 | 0 | 0 | 0 | 0 |
| Total Debt Outstanding | $ 6,160,000 | $ 8,471,600 | $ 7,245,000 | $ 6,440,000 | $ 8,065,000 |

Note: Bond amounts stated above do not include advance refunded bonds outstanding where applicable.

**Details of Outstanding Indebtedness**

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

| Type of Indebtedness | Maturity | | Amount |
|---|---|---|---|
| Bonds | 2023-2034 | | $ 5,565,000 |
| Bond Anticipation Notes | | | |
| Capital Project | June 30, 2023 | | 2,500,000 |
| | | Total Indebtedness | $ 8,065,000 |

**Debt Statement Summary**

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

| | Computed Using Regular State Equalization Rates | Computed Using Special State Equalization Ratios [1] |
|---|---|---|
| Five-year Average Full Valuation of Taxable Real Property | $ 336,686,301 | $ 359,827,011 |
| Debt Limit 5% thereof | 16,834,315 | 17,991,351 |
| Inclusions: | | |
| Bonds | $ 5,565,000 | $ 5,565,000 |
| Bond Anticipation Notes | 2,500,000 | 2,500,000 |
| Total Inclusions | $ 8,065,000 | $ 8,065,000 |
| Exclusions: | | |
| Building Aid [2] | $ 0 | $ 0 |
| Appropriations [3] | 0 | 0 |
| Total Exclusions | $ 0 | $ 0 |
| Total Net Indebtedness | $ 8,065,000 | $ 8,065,000 |
| Net Debt-Contracting Margin | $ 8,769,315 | $ 9,926,351 |
| The percent of debt contracting power exhausted is | 47.91% | 44.83% |

(1) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said Office of Real Property Services, and are used for all other purposes. See "TAX INFORMATION - Taxable Valuations".

(2) Based on preliminary 2022-2023 building aid estimates, the District anticipates State Building aid of 81.4% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

(3) Budgeted appropriations. The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the constitutional debt limit of the School District.

**Bonded Debt Service**

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

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**Capital Project Plans**

On December 14, 2021, the qualified voters of the District approved a proposition authorizing the District to pay the cost of the renovations and additions of school buildings and facilities at a maximum estimated cost of $13,000,000. The District will utilize $2,000,000 of capital reserve monies and will have expiring debt service that will allow the project to be completed at no tax increase to District residents. The District issued $2,500,000 bond anticipation notes on July 27, 2022 which provided new monies for the aforementioned purpose. The proceeds of the Series A Notes, along with $100,000 paydown, will redeem and renew $2,500,000 bonds anticipation notes maturing June 30, 2023 for the aforementioned purpose. The proceeds of the Series B Notes will provide additional new monies for the aforementioned purpose.

On October 18, 2022 the District received bids on Phase 1, Bus Garage, of the new capital project. Phase 1 work includes a new bus maintenance lift, bus wash, transportation offices, locker rooms, bathroom facilities and break room. Phase 2 is currently under conceptual design and will include renovations in the High School/Junior High and Elementary buildings.

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

**Cash Flow Borrowings**

The District has not issued tax or revenue anticipation notes for the last five fiscal years. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

**Estimated Overlapping Indebtedness**

In addition to the School District, the following political subdivisions have the power to issue bonds and notes and to levy taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, are listed of the respective municipalities.

| Municipality | Status of Debt as of | Gross Indebtedness (1) | Exclusions (2) | Net Indebtedness | District Share | Applicable Indebtedness |
|---|---|---|---|---|---|---|
| County of: | | | | | | |
| Oneida | 12/31/2021 (3) | $ 435,810,656 | $ 285,085,406 | $ 150,725,250 | 2.71% | $ 4,084,654 |
| City of: | | | | | | |
| Rome | 12/31/2021 (3) | 79,995,209 | 54,335,904 | 25,659,305 | 3.00% | 769,779 |
| Village of: | | | | | | |
| Oriskany | 5/31/2022 (3) | 424,010 | 424,010 | - | 100.00% | - |
| Town of: | | | | | | |
| Floyd | 12/31/2021 (3) | 843,722 | 461,222 | 382,500 | 19.34% | 73,976 |
| Marcy | 12/31/2021 (3) | 2,139,000 | - | 2,139,000 | 11.14% | 238,285 |
| Whitestown | 12/31/2021 (3) | - | - | - | 15.68% | - |
| | | | | | Total: | $ 5,166,694 |

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.

Sources of information:

(3) Most recent available State Comptroller's Special Report for the respective fiscal year.

**Debt Ratios**

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

| | Amount Indebtedness | Per Capita [a] | Percentage of Full Valuation [b] |
|---|---|---|---|
| Net Indebtedness [c] | $ 8,065,000 | $ 1,933.13 | 2.11% |
| Net Indebtedness Plus Net Overlapping Indebtedness [d] | 13,231,694 | 3,171.55 | 3.46% |

(a) The District's 2021 estimated population is 4,172. (See "THE SCHOOL DISTRICT - District Population" herein.)

(b) The District's full valuation of taxable real estate for 2022-2023 using regular equalization ratios is $382,482,084. (See "TAXABLE INFORMATION – Taxable Valuations" herein)

(c) See "Debt Statement Summary" herein.

(d) The District's estimated applicable share of net underlying indebtedness is $5,166,694. (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 Bond 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.

## 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.

## 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 (the “Rule”), the District will enter into an Undertaking to Provide Notice of certain Material Events, the form of which is attached hereto as “APPENDIX – D”.

**Historical Compliance**

Except as noted below, the District is in compliance within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

On December 15, 2018, the District had an interest payment due for the following bond issues: $2,135,788 School District (Serial) Bonds, 2012, $3,817,125 School District (Serial) Bonds, 2016 and $1,660,000 School District (Refunding) Bonds, 2017. The payment was not made until January 2, 2019 due to a clerical error. A failure to file notice was submitted to EMMA on January 4, 2019. The District has no reason to believe there will be any delinquent payments in the future.

On December 27, 2022 the District had a 2022 Annual Financial Information and Operating Data filing due. The filing was not made until January 3, 2023. A failure to provide notice was submitted to EMMA on January 10, 2023.

## TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and 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, however, for tax years beginning after December 31, 2022, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinions of Bond Counsel is set forth in “APPENDIX – F” and “APPENDIX – G” hereto.

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

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

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

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## LEGAL MATTERS

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

## LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District is currently appealing to the Second Circuit the award of damages, attorney fees and costs totally approximately $614,000 in a proceeding brought by a former employee. 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.

## RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX - D" attached hereto).

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

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

## MUNICIPAL ADVISOR

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

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

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

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

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

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

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

The District's contact information is as follows: Michelle Tikalsky, School Business Executive, 1313 Utica Street Oriskany, New York 13424, Phone: (315) 768-2058, Fax: (315) 768-2057, Email: mtikalsky@oriskanycsd.org.

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

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

**ORISKANY CENTRAL SCHOOL DISTRICT**

**Dated: June 1, 2023**

**JAMES CHASE**
**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 | $ 1,693,529 | $ 2,386,217 | $ 2,101,511 | $ 2,345,001 | $ 1,398,684 |
| Restricted Cash | 4,893,528 | 5,603,500 | 5,641,680 | 5,592,116 | 4,846,817 |
| State & Federal Aid Receivables | 741,777 | 621,626 | 553,752 | 1,077,925 | 636,369 |
| Tuition Receivable | 27,339 | - | - | - | - |
| Due from Fiduciary Funds | 100,000 | 35,000 | - | - | - |
| Due from Other Funds | 731,365 | 430,619 | 375,850 | 592,430 | 1,247,440 |
| Other Receivable | - | 6,513 | 1,612 | 197,111 | 61,497 |
| Taxes Receivable | - | - | - | - | - |
| TOTAL ASSETS | $ 8,187,538 | $ 9,083,475 | $ 8,674,405 | $ 9,804,583 | $ 8,190,807 |
| LIABILITIES AND FUND EQUITY | | | | | |
| Accounts Payable | $ 43,040 | $ 436,418 | $ 74,339 | $ 33,524 | $ 46,467 |
| Accrued Expenses | 50,272 | 115,537 | 8,013 | 49,653 | 137,596 |
| Due to Other Funds | 61,164 | 21,612 | 73,169 | 298,696 | - |
| Due to Other Governments | - | - | - | - | - |
| Due to Teachers' Retirement System | 476,218 | 525,342 | 452,082 | 486,125 | 520,418 |
| Due to Employees' Retirement System | 31,202 | 33,232 | 34,890 | 33,683 | 33,330 |
| Unearned Revenue | - | - | - | 31,042 | - |
| TOTAL LIABILITIES | $ 661,896 | $ 1,132,141 | $ 642,493 | $ 932,723 | $ 737,811 |
| FUND EQUITY | | | | | |
| Nonspendable | $ - | $ - | $ - | $ - | $ - |
| Restricted | 4,893,177 | 5,603,500 | 5,641,680 | 5,592,117 | 4,846,817 |
| Assigned | 2,018,551 | 1,720,615 | 1,613,960 | 1,699,063 | 1,724,076 |
| Unassigned | 613,914 | 627,219 | 776,272 | 1,580,680 | 882,103 |
| TOTAL FUND EQUITY | $ 7,525,642 | $ 7,951,334 | $ 8,031,912 | $ 8,871,860 | $ 7,452,996 |
| TOTAL LIABILITIES and FUND EQUITY | $ 8,187,538 | $ 9,083,475 | $ 8,674,405 | $ 9,804,583 | $ 8,190,807 |

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 & Other Tax Items | $ 5,993,169 | $ 6,058,472 | $ 6,221,841 | $ 6,333,492 | $ 6,515,080 |
| Other Tax Items | - | - | - | - | - |
| Charges for Services | - | - | - | - | 59,657 |
| Use of Money & Property | 51,738 | 78,088 | 58,896 | 7,083 | 1,855 |
| Sale of Property and Compensation for Loss | - | - | - | - | 22,420 |
| Miscellaneous | 599,676 | 363,709 | 365,914 | 968,375 | 315,361 |
| Revenues from State Sources | 7,334,298 | 7,221,517 | 7,508,052 | 7,723,275 | 7,818,088 |
| Revenues from Federal Sources | 15,930 | 56,511 | 25,096 | 182,961 | 61,908 |
| Total Revenues | $ 13,994,811 | $ 13,778,297 | $ 14,179,799 | $ 15,215,186 | $ 14,794,369 |
| Other Sources: | | | | | |
| Operating Transfers | - | - | - | - | - |
| Appropriated Reserves | - | - | - | - | - |
| Total Revenues and Other Sources | $ 13,994,811 | $ 13,778,297 | $ 14,179,799 | $ 15,215,186 | $ 14,794,369 |
| EXPENDITURES | | | | | |
| General Support | $ 1,980,574 | $ 1,942,173 | $ 2,131,933 | $ 2,089,747 | $ 2,123,742 |
| Instruction | 6,395,309 | 6,970,290 | 7,152,961 | 7,196,840 | 7,039,793 |
| Pupil Transportation | 737,763 | 766,350 | 748,327 | 801,998 | 852,290 |
| Community Service | 5,569 | 6,862 | 4,191 | 1,229 | 10,329 |
| Employee Benefits | 2,774,461 | 2,768,946 | 2,951,071 | 3,114,891 | 3,007,795 |
| Debt Service | 825,578 | 897,984 | 1,010,738 | 1,071,965 | 1,110,766 |
| Total Expenditures | $ 12,719,254 | $ 13,352,605 | $ 13,999,221 | $ 14,276,670 | $ 14,144,715 |
| Other Uses: | | | | | |
| Operating Transfers | 12,416 | - | 100,000 | 48,406 | 2,068,518 |
| Total Expenditures and Other Uses | $ 12,731,670 | $ 13,352,605 | $ 14,099,221 | $ 14,325,076 | $ 16,213,233 |
| Excess (Deficit) Revenues Over Expenditures | 1,263,141 | 425,692 | 80,578 | 890,110 | (1,418,864) |
| FUND BALANCE | | | | | |
| Fund Balance - Beginning of Year | 6,262,501 | 7,525,642 | 7,951,334 | 8,031,912 | 8,871,860 |
| Prior Period Adjustments (net) | - | - | - | (50,162) | |
| Fund Balance - End of Year | $ 7,525,642 | $ 7,951,334 | $ 8,031,912 | $ 8,871,860 | $ 7,452,996 |

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 Adopted Budget | 2022 Modified Budget | 2022 Actual | 2023 Adopted Budget | 2024 Proposed Budget |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Real Property Taxes & Other Tax Items | $ 6,534,316 | $ 6,534,316 | $ 6,515,080 | $ 6,618,827 | $ 6,761,365 |
| Charges for Services | - | - | 59,657 | - | - |
| Use of Money & Property | 10,000 | 10,000 | 1,855 | - | - |
| Sale of Property and Compensation for Loss | - | - | 22,420 | - | - |
| Miscellaneous | 100,000 | 100,000 | 315,361 | 1,587,827 | 641,230 |
| Revenues from State Sources | 7,991,118 | 7,991,118 | 7,818,088 | 6,781,525 | 7,956,698 |
| Revenues from Federal Sources | 9,500 | 9,500 | 61,908 | - | - |
| Total Revenues | $ 14,644,934 | $ 14,644,934 | $ 14,794,369 | $ 14,988,179 | $ 15,359,293 |
| Other Sources: | | | | | |
| Operating Transfers | - | | - | - | - |
| Appropriated Reserves | 1,699,063 | 1,699,063 | - | - | 1,680,587 |
| Total Revenues and Other Sources | $ 16,343,997 | $ 16,343,997 | $ 14,794,369 | $ 14,988,179 | $ 17,039,880 |
| EXPENDITURES | | | | | |
| General Support | $ 2,460,144 | $ 2,420,994 | $ 2,123,742 | $ 2,461,725 | $ 2,737,692 |
| Instruction | 8,372,185 | 8,134,348 | 7,039,793 | 8,667,491 | 8,699,692 |
| Pupil Transportation | 905,110 | 967,847 | 852,290 | 986,350 | 957,893 |
| Community Service | 13,950 | 12,450 | 10,329 | - | - |
| Employee Benefits | 3,485,270 | 3,606,020 | 3,007,795 | 3,553,200 | 3,722,265 |
| Debt Service | 1,087,338 | 1,087,338 | 1,110,766 | 1,020,000 | 922,338 |
| Total Expenditures | $ 16,323,997 | $ 16,228,997 | $ 14,144,715 | $ 16,688,766 | $ 17,039,880 |
| Other Uses: | | | | | |
| Operating Transfers | 20,000 | 115,000 | 2,068,518 | - | - |
| Total Expenditures and Other Uses | $ 16,343,997 | $ 16,343,997 | $ 16,213,233 | $ 16,688,766 | $ 17,039,880 |
| Excess (Deficit) Revenues Over Expenditures | - | - | (1,418,864) | (1,700,587) | - |
| FUND BALANCE | | | | | |
| Fund Balance - Beginning of Year | | | 8,871,860 | 1,700,587 | |
| Prior Period Adjustments (net) | - | - | - | - | - |
| Fund Balance - End of Year | $ - | $ - | $ 7,452,996 | $ - | $ - |

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

## BOND DEBT SERVICE

| Fiscal Year Ending June 30th | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 670,000 | $ 183,237.50 | $ 853,237.50 |
| 2024 | 550,000 | 164,337.50 | 714,337.50 |
| 2025 | 575,000 | 148,987.50 | 723,987.50 |
| 2026 | 595,000 | 132,837.50 | 727,837.50 |
| 2027 | 605,000 | 115,987.50 | 720,987.50 |
| 2028 | 455,000 | 98,787.50 | 553,787.50 |
| 2029 | 470,000 | 83,943.75 | 553,943.75 |
| 2030 | 485,000 | 68,143.75 | 553,143.75 |
| 2031 | 470,000 | 51,375.00 | 521,375.00 |
| 2032 | 220,000 | 34,500.00 | 254,500.00 |
| 2033 | 230,000 | 23,500.00 | 253,500.00 |
| 2034 | 240,000 | 12,000.00 | 252,000.00 |
| TOTALS | $ 5,565,000 | $ 1,117,637.50 | $ 6,682,637.50 |

**APPENDIX - B1**
**Oriskany CSD**

## CURRENT BONDS OUTSTANDING

| Fiscal Year Ending June 30th | 2016 Capital Project | | | 2017 Refunding of 2007 & 2008 | | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2023 | $ 245,000 | $ 51,337.50 | $ 296,337.50 | $ 130,000 | $ 3,900.00 | $ 133,900.00 |
| 2024 | 250,000 | 46,437.50 | 296,437.50 | - | - | - |
| 2025 | 260,000 | 41,437.50 | 301,437.50 | - | - | - |
| 2026 | 265,000 | 36,237.50 | 301,237.50 | - | - | - |
| 2027 | 270,000 | 30,937.50 | 300,937.50 | - | - | - |
| 2028 | 275,000 | 25,537.50 | 300,537.50 | - | - | - |
| 2029 | 280,000 | 19,693.75 | 299,693.75 | - | - | - |
| 2030 | 285,000 | 13,393.75 | 298,393.75 | - | - | - |
| 2031 | 265,000 | 6,625.00 | 271,625.00 | - | - | - |
| TOTALS | $ 2,395,000 | $ 271,637.50 | $ 2,666,637.50 | $ 130,000 | $ 3,900.00 | $ 133,900.00 |

| Fiscal Year Ending June 30th | 2020 DASNY 2020A | | | 2021 Refunding of 2012 Bonds | | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2023 | $ 140,000 | $ 112,000.00 | $ 252,000.00 | $ 155,000 | $ 16,000.00 | $ 171,000.00 |
| 2024 | 145,000 | 105,000.00 | 250,000.00 | 155,000 | 12,900.00 | 167,900.00 |
| 2025 | 155,000 | 97,750.00 | 252,750.00 | 160,000 | 9,800.00 | 169,800.00 |
| 2026 | 165,000 | 90,000.00 | 255,000.00 | 165,000 | 6,600.00 | 171,600.00 |
| 2027 | 170,000 | 81,750.00 | 251,750.00 | 165,000 | 3,300.00 | 168,300.00 |
| 2028 | 180,000 | 73,250.00 | 253,250.00 | - | - | - |
| 2029 | 190,000 | 64,250.00 | 254,250.00 | - | - | - |
| 2030 | 200,000 | 54,750.00 | 254,750.00 | - | - | - |
| 2031 | 205,000 | 44,750.00 | 249,750.00 | - | - | - |
| 2032 | 220,000 | 34,500.00 | 254,500.00 | - | - | - |
| 2033 | 230,000 | 23,500.00 | 253,500.00 | - | - | - |
| 2034 | 240,000 | 12,000.00 | 252,000.00 | - | - | - |
| TOTALS | $ 2,240,000 | $ 793,500.00 | $ 3,033,500 | $ 800,000 | $ 48,600.00 | $ 848,600.00 |

**COMPUTATION OF FULL VALUATION**

**Using Regular Equalization Rates**

| Fiscal Year Ending June 30: | | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Year of Assessment Roll | | 2018 | 2019 | 2020 | 2021 | 2022 |
| **Assessed Valuation** | | | | | | |
| City of: | Rome | $ 24,755,249 | $ 25,400,853 | $ 25,634,374 | $ 25,681,981 | $ 28,302,268 |
| Towns of: | Floyd | 32,633,465 | 32,595,019 | 33,094,987 | 33,270,180 | 33,688,607 |
| | Marcy | 46,957,109 | 46,849,842 | 43,565,496 | 43,678,830 | 43,567,044 |
| | Whitestown | 111,671,689 | 109,696,130 | 109,955,026 | 110,982,337 | 111,182,891 |
| **Total Assessed Valuation** | | $ 216,017,512 | $ 214,541,844 | $ 212,249,883 | $ 213,613,328 | $ 216,740,810 |
| **State Equalization Rates** | | | | | | |
| City of: | Rome | 71.64% | 66.49% | 66.09% | 61.03% | 53.51% |
| Towns of: | Floyd | 89.00% | 83.00% | 83.50% | 81.00% | 68.00% |
| | Marcy | 76.00% | 69.00% | 66.50% | 68.00% | 62.00% |
| | Whitestown | 65.50% | 61.00% | 58.00% | 58.00% | 53.00% |
| **Full Valuation** | | | | | | |
| City of: | Rome | $ 34,555,066 | $ 38,202,516 | $ 38,787,069 | $ 42,080,913 | $ 52,891,549 |
| Towns of: | Floyd | 36,666,815 | 39,271,107 | 39,634,715 | 41,074,296 | 49,542,069 |
| | Marcy | 61,785,670 | 67,898,322 | 65,512,024 | 64,233,574 | 70,269,426 |
| | Whitestown | 170,491,128 | 179,829,721 | 189,577,631 | 191,348,857 | 209,779,040 |
| **Total Full Valuation** | | $ 303,498,678 | $ 325,201,666 | $ 333,511,439 | $ 338,737,639 | $ 382,482,084 |

## COMPUTATION OF FULL VALUATION

### Using Special Equalization Ratios

| Fiscal Year Ending June 30: | | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Year of Assessment Roll | | 2018 | 2019 | 2020 | 2021 | 2022 |
| **Assessed Valuation** | | | | | | |
| City of: | Rome | $ 24,755,249 | $ 25,400,853 | $ 25,634,374 | $ 25,681,981 | $ 28,302,268 |
| Towns of: | Floyd | 32,633,465 | 32,595,019 | 33,094,987 | 33,270,180 | 33,688,607 |
| | Marcy | 46,957,109 | 46,849,842 | 43,565,496 | 43,678,830 | 43,567,044 |
| | Whitestown | 111,671,689 | 109,696,130 | 109,955,026 | 110,982,337 | 111,182,891 |
| **Total Assessed Valuation** | | $ 216,017,512 | $ 214,541,844 | $ 212,249,883 | $ 213,613,328 | $ 216,740,810 |
| **Special Equalization Ratios** | | | | | | |
| City of: | Rome | 66.37% | 61.30% | 59.93% | 58.94% | 50.07% |
| Towns of: | Floyd | 82.66% | 80.06% | 78.39% | 76.79% | 62.35% |
| | Marcy | 64.76% | 67.13% | 66.23% | 64.93% | 57.60% |
| | Whitestown | 57.58% | 57.42% | 56.25% | 55.11% | 49.43% |
| **Full Valuation** | | | | | | |
| City of: | Rome | $ 37,298,853 | $ 41,436,954 | $ 42,773,860 | $ 43,573,093 | $ 56,525,400 |
| Towns of: | Floyd | 39,479,150 | 40,713,239 | 42,218,379 | 43,326,188 | 54,031,447 |
| | Marcy | 72,509,433 | 69,789,724 | 65,779,097 | 67,270,645 | 75,637,229 |
| | Whitestown | 193,941,801 | 191,041,675 | 195,475,602 | 201,383,301 | 224,929,984 |
| **Total Full Valuation** | | $ 343,229,237 | $ 342,981,593 | $ 346,246,937 | $ 355,553,227 | $ 411,124,060 |

## 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 Notes

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

(h) note calls, if material and tender offers

(i) defeasances

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

(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 of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and

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

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

With respect to event (d) the 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.

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 Notes; 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.

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 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 Notes 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 Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific performance 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 Notes nor entitle any holder of the Notes 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.

# ORISKANY CENTRAL SCHOOL DISTRICT

## GENERAL PURPOSE FINANCIAL STATEMENTS

## 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.**

ORISKANY CENTRAL
SCHOOL DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2022

**ORISKANY CENTRAL SCHOOL DISTRICT**
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D'Arcangelo&Co.,LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

**Independent Auditor's Report**

Board of Education
Oriskany Central School District

**Opinions**

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

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financials audits contained in *Government Auditing Standards* issued by the Comptroller 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 Oriskany Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matter**

New Accounting Standard

As discussed in Notes 1 and 15 to the financial statements, the School District changed its accounting policies related to the accounting and reporting of leases by adopting the Governmental Accounting Standards Board's (GASB) Statement No. 87, *Leases*. The new pronouncement changes the criteria used, and provides guidance on accounting and reporting for leases. Our opinion is not modified with respect to this matter.

Prior Period Adjustment

As discussed in Note 15 to the financial statements, a prior period adjustment with a net effect on net position of $739,069 was made to reclassify prior year activity from Miscellaneous Special Revenue Fund and Custodial Fund and also to correct an error in the district's proportionate share of the net pension liability for the Teachers' Retirement System in accordance with Governmental Accounting Standards Board's (GASB) Statement No. 68.

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

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oriskany Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2022, on our consideration of the Oriskany 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 Oriskany 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 Oriskany Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 18, 2022

Rome, New York

The Oriskany Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2022 and 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

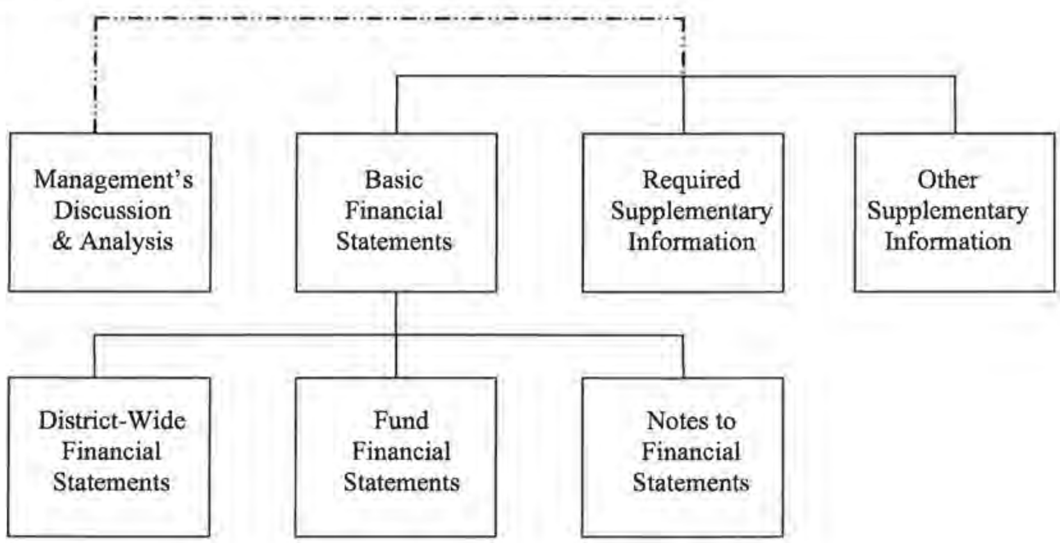
## 1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022, are as follows:

- The District's total liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the fiscal year by \$5,986,972 (total Net Position (Deficit)). This represents a decrease of \$423,195 from the prior year's Net Position.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled \$15,702,676. Of this amount, \$59,657 and \$1,306,625 was offset by program charges for services and operating grants. General revenues of \$14,759,589 amounts to 91.5% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 14 and 16, decreased by \$1,418,864 to \$7,452,996. This was due to excess of revenues over expenditures based on the modified accrual basis of accounting.
- State and federal revenue increased by \$6,485 to \$7,879,996. This is mainly due to increases in Basic State Aid during the current year.

## 2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



### A. District-wide Financial Statements

The district-wide financial statements present the governmental activities of the School District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the School District's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

### B. Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the School District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains six individual governmental funds, general fund, school lunch fund, special aid fund, miscellaneous special revenue, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

## 3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### A. Net Position

The School District's total net position increased $423,195 between fiscal year 2022 and 2021. A summary of the School District's Statement of Net Position at June 30, 2022 and 2021 is as follows:

| | 2022 | Restated 2021 | Increase (Decrease) | Percentage Change |
|---|---|---|---|---|
| Current and Other Assets | $ 17,043,391 | $ 11,119,302 | $ 5,924,089 | 53.3% |
| Capital Assets, (Net of Depreciation) | 14,832,783 | 15,277,217 | (444,434) | (2.9%) |
| Total Assets | 31,876,174 | 26,396,519 | 5,479,655 | 20.8% |
| Deferred Outflows of Resources | | | | |
| OPEB | 4,446,732 | 5,629,801 | (1,183,069) | (21.0%) |
| Pensions | 3,342,699 | 3,162,681 | 180,018 | 5.7% |
| Total Deferred Outflows of Resources | 7,789,431 | 8,792,482 | (1,003,051) | (11.4%) |
| Total Assets and Deferred Outflows of Resources | $ 39,665,605 | $ 35,189,001 | $ 4,476,604 | 12.7% |
| Current and Other Liabilities | $ 977,221 | $ 1,564,838 | $ (587,617) | (37.6%) |
| Non-Current Liabilities | 29,824,319 | 35,238,753 | (5,414,434) | (15.4%) |
| Total Liabilities | 30,801,540 | 36,803,591 | (6,002,051) | (16.3%) |
| Deferred Inflows of Resources | | | | |
| OPEB | 8,597,441 | 3,679,872 | 4,917,569 | 133.6% |
| Pensions | 6,253,596 | 1,115,705 | 5,137,891 | 460.5% |
| Total Deferred Inflows of Resources | 14,851,037 | 4,795,577 | 10,055,460 | 209.7% |
| Net Position | | | | |
| Net Investment in Capital Assets | 11,033,426 | 8,347,888 | 2,685,538 | 32.2% |
| Restricted | 8,210,312 | 6,593,252 | 1,617,060 | 24.5% |
| Unrestricted (Deficit) | (25,230,710) | (21,351,307) | (3,879,403) | (18.2%) |
| Total Net Position (Deficit) | (5,986,972) | (6,410,167) | 423,195 | 6.6% |
| Total Liabilities, Deferred Inflows, and Net Pension | $ 39,665,605 | $ 35,189,001 | $ 4,476,604 | |

Current and other assets increased by $5,924,089, as compared to the prior year primarily due to increases of $986,207 in cash and cash equivalents and the net pension asset proportionate share of the TRS and ERS systems converted to an asset from a liability in the prior year in the amount of $5,088,243.

Capital assets decreased by $444,434 as compared to the prior year. This decrease is mainly due to depreciation expense exceeding capital outlay additions during the year. Note 6 to the Financial Statements provides additional information.

Current liabilities decreased by $587,617, as compared to the prior year. The primary reason for the decrease was a reclassification of bond payables and premiums offset by an increase in unearned revenue.

Non-current liabilities decreased by $5,414,434, as compared to the prior year. This is primarily the result of a net decrease in OPEB total liability of $4,959,739 and repayments on serial bonds in the amount of $875,000.

The deferred outflows and inflows change resulted in a net decrease in net position of $11,058,511. These financial statement elements mainly consist of actuarial determined adjustments to the District's proportionate share of the net pension asset or liability and the OPEB liability for items such as changes in assumptions and differences between actual and projected experience.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The restricted portion of net position at June 30, 2022, is comprised of amounts with constraints placed on the use either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Note 1 to the Basic Financial Statements provides further descriptions and detailed balances.

The unrestricted (deficit) portion of net position in the amount of $25,230,710 at June 30, 2022, which represents the amount by which the School District's liabilities and deferred inflows of resources, exceeded its assets and deferred outflows of resources (excluding capital assets net of related debt and restricted assets).

**Changes in Net Position**

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other real property tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2022 and 2021 is as follows:

| **Revenues** | 2022 | 2021 | Increase (Decrease) | Percentage Change |
|---|---|---|---|---|
| Program Revenues | | | | |
| Charges for Services | $ 59,657 | $ 267,242 | $ (207,585) | (77.7%) |
| Operating Grants | 1,306,625 | 666,372 | 640,253 | 96.1% |
| General Revenues | | | | |
| Property Taxes and STAR | 6,515,080 | 6,333,492 | 181,588 | 2.9% |
| State and Federal Sources | 7,879,996 | 7,873,511 | 6,485 | 0.1% |
| Other | 364,513 | 799,870 | (435,357) | (54.4%) |
| Total Revenues | 16,125,871 | 15,940,487 | 185,384 | 1.2% |
| **Expenses** | | | | |
| General Support | 2,715,242 | 2,738,860 | (23,618) | (0.9%) |
| Instruction | 11,874,879 | 12,409,445 | (534,566) | (4.3%) |
| Pupil Transportation | 917,842 | 941,695 | (23,853) | (2.5%) |
| Community Service | 15,921 | 1,229 | 14,692 | 1195.4% |
| Capital Outlay | | 41,791 | (41,791) | (100.0%) |
| Debt Service-Unallocated Interest | 142,285 | 217,837 | (75,552) | (34.7%) |
| Food Service Program | 36,507 | 32,489 | 4,018 | 12.4% |
| Total Expenses | 15,702,676 | 16,383,346 | (680,670) | (4.2%) |
| Total Change in Net Position | $ 423,195 | $ (442,859) | $ 866,054 | |

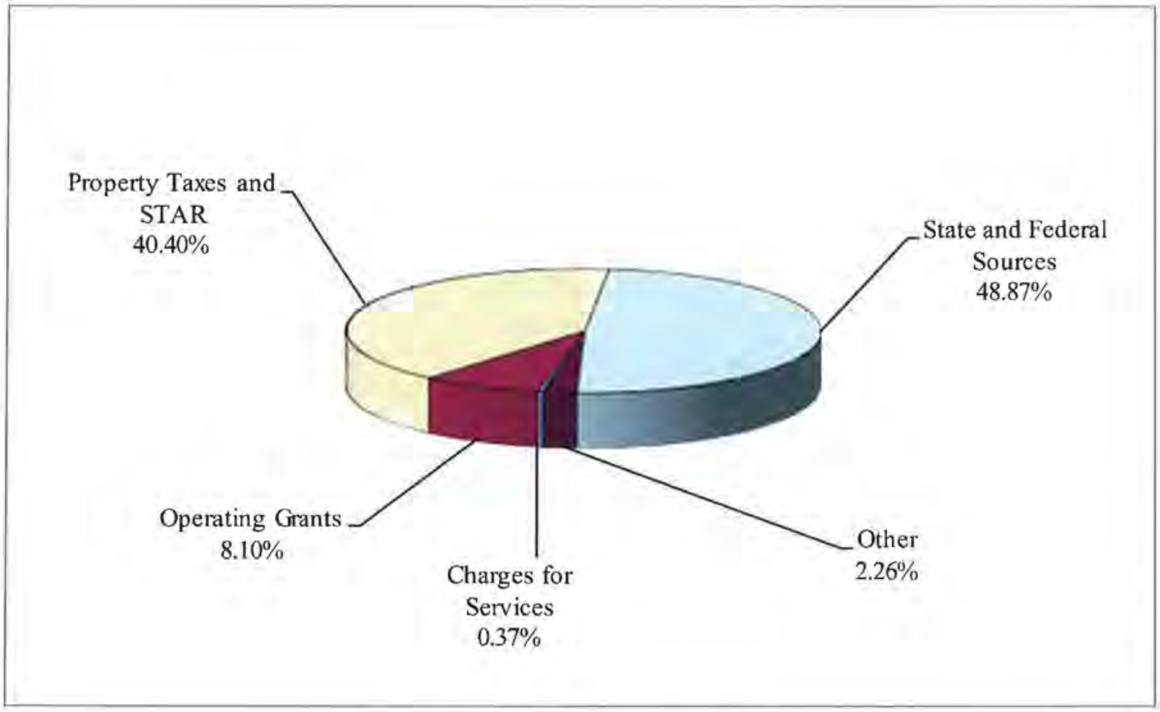
The School District's revenues increased by 1.2% in 2022 or a net amount of $185,384. The major components that contributed to the net increase were:

- Property taxes and STAR revenues increased by $181,588.
- Other revenues decreased by $435,357, primarily due to changes in the BOCES refund.

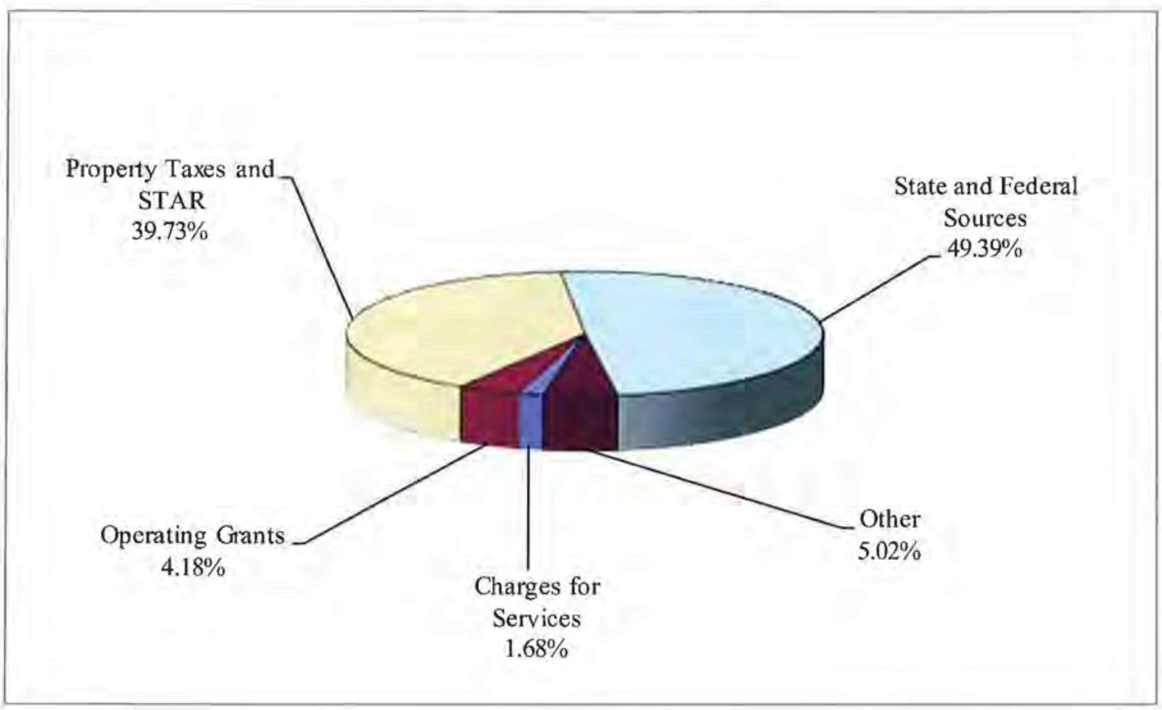
The School District's expenses for the year decreased by $680,670 or 4.2%. The major factors that contributed to the overall decrease was the decrease in pension expense and other postemployment benefits expense, as discussed in Note 8 and Note 9 of the financial statements, as well as decreases in contractual obligations relating to salaries and benefits.

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

**For the Year Ended June 30, 2022**

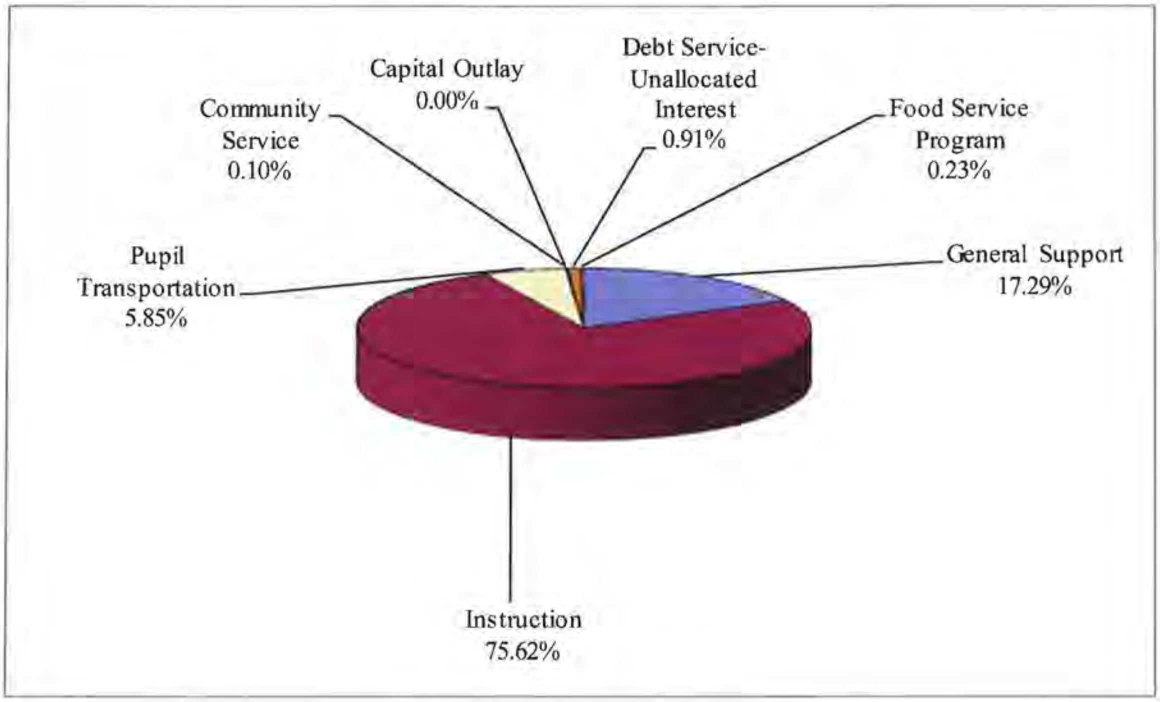



**For the Year Ended June 30, 2021**

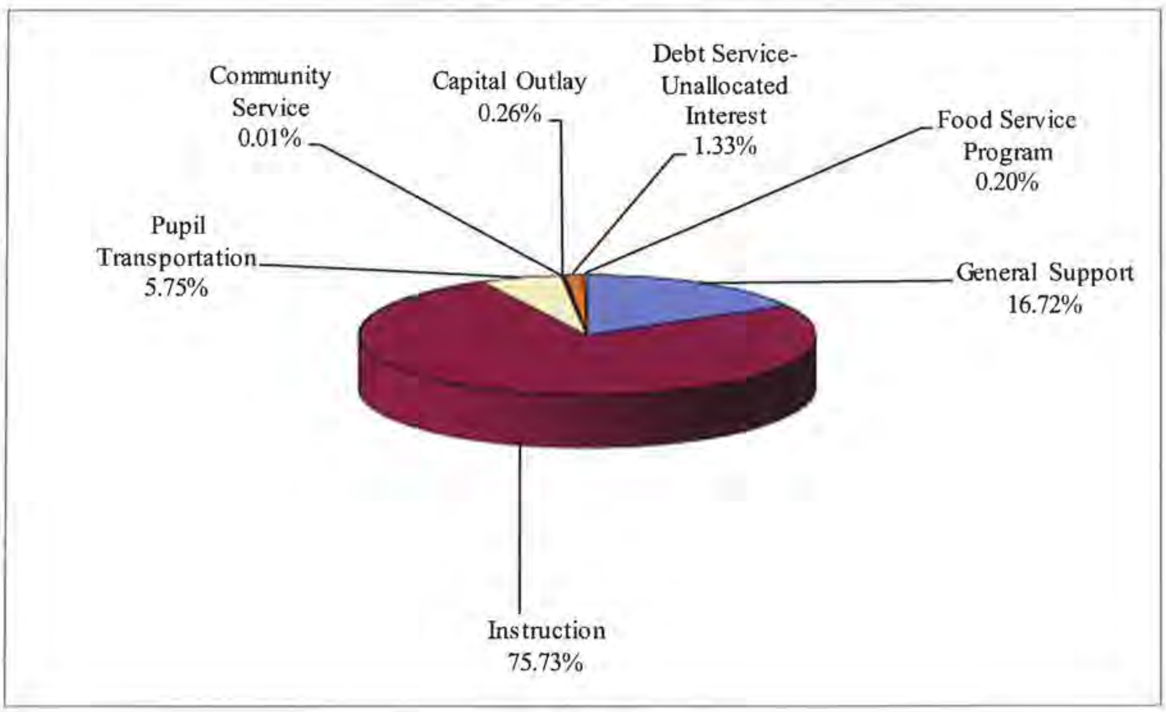


A graphic display of the distribution of expenses for the two years follows:

**For the Year Ended June 30, 2022**




**For the Year Ended June 30, 2021**



## 4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2022, the School District's governmental funds reported a combined fund balance of $10,927,314, which is an increase of $581,123 from the prior years combined fund balance of $10,346,191. A summary of the change in fund balance by fund is as follows:

| General Fund | 2022 | Restated 2021 | Increase (Decrease) |
|---|---|---|---|
| Restricted | | | |
| Workers' Compensation | $ 230,077 | $ 143,197 | $ 86,880 |
| Unemployment Insurance | 173,967 | 73,951 | 100,016 |
| Retirement Contribution - ERS | 858,380 | 858,211 | 169 |
| Retirement Contribution - TRS | 242,141 | 50,021 | 192,120 |
| Property Loss | 50,966 | 50,956 | 10 |
| Liability | 100,152 | 100,133 | 19 |
| Insurance | 821,900 | 821,739 | 161 |
| Tax Certiorari | 105,745 | 105,725 | 20 |
| Employee Benefit Accrued Liability | 550,194 | 550,086 | 108 |
| Capital Reserve | 1,312,260 | 2,637,102 | (1,324,842) |
| Repairs | 401,035 | 200,996 | 200,039 |
| Total Restricted | 4,846,817 | 5,592,117 | (745,300) |
| Assigned | | | |
| Encumbrances | 43,489 | 18,899 | 24,590 |
| Designated for Subsequent Year's Expenditures | 1,680,587 | 1,680,164 | 423 |
| Total Assigned | 1,724,076 | 1,699,063 | 25,013 |
| Unassigned | 882,103 | 1,580,680 | (698,577) |
| Total General Fund | 7,452,996 | 8,871,860 | (1,418,864) |
| **School Lunch Fund** | | | |
| Assigned | 110,823 | 118,765 | (7,942) |
| **Miscellaneous Special Revenue Fund** | | | |
| Restricted | 29,344 | 20,691 | 8,653 |
| **Debt Service Fund** | | | |
| Restricted | 938,565 | 938,375 | 190 |
| **Capital Projects Fund** | | | |
| Restricted | 2,395,586 | 396,500 | 1,999,086 |
| Total Fund Balance - All Funds | $ 10,927,314 | $ 10,346,191 | $ 581,123 |

## 5. GENERAL FUND BUDGETARY HIGHLIGHTS

### A. 2021-2022 Budget

The School District's general fund adopted budget for the year ended June 30, 2022, was $16,325,098. This is an increase of $539,394 over the prior year's adopted budget. The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was $6,534,316 in estimated property taxes and STAR and State and Federal Aid in the amount of $8,000,618.

## B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

| | |
|---|---|
| Opening, Unassigned Fund Balance | $ 1,580,680 |
| Revenues and Transfers from Other Funds over Budget | 149,435 |
| Expenditures and Encumbrances under Budget | 87,275 |
| Net Decrease to Restricted Funds | 745,300 |
| Appropriated for June 30, 2023 Budget | (1,680,587) |
| Closing, Unassigned Fund Balance | $ 882,103 |

Opening, Unassigned Fund Balance

The $1,580,680 shown in the above table is the portion of the District's June 30, 2021 fund balance that was retained as unassigned. This was 9.68% of the School District's 2021-2022 approved operating budget.

Revenues, Transfers and Appropriated Reserves Over Budget

The 2021-2022 final budget for revenues including transfers was $14,644,934. The actual revenues and other financing sources received for the year were $14,794,369. The actual revenue and transfers over the budgeted revenue and transfers was $149,435. This variance contributes directly to the change to the unassigned portion of the general fund balance from June 30, 2021 to June 30, 2022.

Expenditures and Encumbrances Under Budget

The 2021-2022 final budget for expenditures was $16,343,997. The actual expenditures and encumbrances were $16,256,722. The final budget was under expended by $87,275. This under expenditure contributes to the change of the unassigned portion of the general fund balance from June 30, 2021 to June 30, 2022.

Net Decrease to Restricted Funds

The School District decreased restricted funds by $745,300 as detailed in Note 11 of the financial statements.

Appropriated Fund Balance

The District chose to use $1,680,587 of its available June 30, 2022 fund balance and reserves to partially fund its 2022-2023 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the School District will begin the 2022-2023 fiscal year with an unassigned fund balance of $882,103. This is a decrease of $698,577 from the unassigned balance as of June 30, 2021. This is 5.29% of the School District's 2022-2023 approved operating budget.

## C. Capital Assets

At June 30, 2022, the District had invested in a broad range of capital assets, including land, land improvements, buildings and improvements, and vehicles, furniture, and equipment. The net decrease in capital assets is due to capital outlays being less than current year depreciation recorded for the year ended June 30, 2022. A summary of the District's capital assets, net of depreciation at June 30, 2022 and 2021, is as follows:

| | 2022 | 2021 | Increase (Decrease) |
|---|---|---|---|
| Land | $ 441,500 | $ 441,500 | $ |
| Buildings and Improvements | 13,116,234 | 13,551,169 | (434,935) |
| Furniture and Equipment | 433,096 | 485,026 | (51,930) |
| Vehicles | 841,953 | 799,522 | 42,431 |
| Capital Assets, Net | $ 14,832,783 | $ 15,277,217 | $ (444,434) |

**D. Debt Administration**

At June 30, 2022, the District had total bonds payable of $5,565,000. A summary of outstanding bonds payable at June 30, 2022 and 2021, is as follows:

| Issue Date | Interest Rate | 2022 | 2021 | Increase (Decrease) |
|---|---|---|---|---|
| 06/2012 | 2.51 | $ | $ 950,000 | $ (950,000) |
| 06/2016 | 2.00 - 2.50 | 2,395,000 | 2,640,000 | (245,000) |
| 06/2017 | 0.90 - 3.00 | 130,000 | 475,000 | (345,000) |
| 06/2020 | 5.00 | 2,240,000 | 2,375,000 | (135,000) |
| 12/2021 | 1.00 - 2.00 | 800,000 | | 800,000 |
| | | $ 5,565,000 | $ 6,440,000 | $ (875,000) |

## 6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In May 2022 the voters passed the 2022-23 budget in the amount of $16,688,766. This budget represents an increase in expenditures of 2.23% or $363,668 from the 2021-22 budget. We believe this budget offers the best possible balance for a continued commitment to a comprehensive and rigorous education for the children of the Oriskany Central School District while maintaining an affordable value for our residents and members of our community.

## 7. CONTACTING THE DISTRICT

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

Oriskany Central School District
1313 Utica Street
Oriskany, New York 13424

**ORISKANY CENTRAL SCHOOL DISTRICT**
**STATEMENT OF NET POSITION**
**June 30, 2022**

| | | |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | $ | 2,157,208 |
| Restricted Cash and Cash Equivalents | | 8,050,104 |
| Receivables | | |
| Due From Other Governments | | 1,628,091 |
| Other Receivables | | 61,497 |
| Right to Use Leased Asset, Net of Amortization | | 58,248 |
| Net Pension Asset-Proportionate Share | | 5,088,243 |
| Capital Assets Not Being Depreciated | | 441,500 |
| Capital Assets Being Depreciated, Net of Accumulated Depreciation | | 14,391,283 |
| Total Assets | | 31,876,174 |
| **Deferred Outflow of Resources** | | |
| Other Postemployment Benefits | | 4,446,732 |
| Pensions | | 3,342,699 |
| Total Deferred Outflows of Resources | | 7,789,431 |
| **Total Assets and Deferred Outflow of Resources** | $ | 39,665,605 |
| **Liabilities** | | |
| Accounts Payable | $ | 46,467 |
| Accrued Liabilities | | 137,596 |
| Due To | | |
| Teachers' Retirement System | | 520,418 |
| Employees' Retirement System | | 33,330 |
| Overpayments and Collections in Advance | | 231,775 |
| Bond Interest Payable | | 7,635 |
| Non-Current Liabilities | | |
| Due Within One Year | | |
| Bonds Payable | | 670,000 |
| Premium on Bond | | 51,859 |
| Lease Liability | | 19,168 |
| Due in More Than One Year | | |
| Bonds Payable | | 4,895,000 |
| Premium on Bond | | 418,081 |
| Lease Liability | | 38,884 |
| Other Postemployment Benefits | | 23,164,597 |
| Compensated Absences | | 566,730 |
| Total Liabilities | | 30,801,540 |
| **Deferred Inflows of Resources** | | |
| Other Postemployment Benefits | | 8,597,441 |
| Pension | | 6,253,596 |
| Total Deferred Inflows of Resources | | 14,851,037 |
| **Total Liabilities and Deferred Inflow of Resources** | | 45,652,577 |
| **Net Position** | | |
| Net Investment in Capital Assets | | 11,033,426 |
| Restricted | | 8,210,312 |
| Unrestricted (Deficit) | | (25,230,710) |
| Total Net Position (Deficit) | | (5,986,972) |
| **Total Liabilities, Deferred Inflows of Resources, and Net Assets** | $ | 39,665,605 |

The Accompanying Notes are an Integral Part of These Financial Statements.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**STATEMENT OF ACTIVITIES**
**For the Year Ended June 30, 2022**

| | | Program Revenues | | Net (Expense) |
|---|---|---|---|---|
| **Functions/Programs** | Expenses | Charges for Services | Operating Grants and Contributions | Revenue and Changes in Net Position |
| General Support | $ 2,715,242 | $ | $ | $ (2,715,242) |
| Instruction | 11,874,879 | 59,657 | 1,293,550 | (10,521,672) |
| Pupil Transportation | 917,842 | | | (917,842) |
| Community Service | 15,921 | | | (15,921) |
| Debt Service - Unallocated Interest | 142,285 | | | (142,285) |
| Food Service Program | 36,507 | | 13,075 | (23,432) |
| Total Functions/Programs | $ 15,702,676 | $ 59,657 | $ 1,306,625 | (14,336,394) |
| **General Revenues** | | | | |
| Real Property Taxes | | | | 5,518,705 |
| Other Real Property Tax Items | | | | 996,375 |
| Use of Money and Property | | | | 15,132 |
| Sale of Property and Compensation for Loss | | | | 22,420 |
| State and Federal Sources | | | | 7,879,996 |
| Miscellaneous | | | | 326,961 |
| Total General Revenues | | | | 14,759,589 |
| Change in Net Position | | | | 423,195 |
| Net Position (Deficit), Beginning of Year | | | | (5,808,582) |
| Cumulative Effect of Change in Accounting Principle | | | | 137,484 |
| Prior Period Adjustment | | | | (739,069) |
| Net Position (Deficit), Beginning of Year (Restated) | | | | (6,410,167) |
| Net Position (Deficit), End of Year | | | | $ (5,986,972) |

**ORISKANY CENTRAL SCHOOL DISTRICT**
**BALANCE SHEET - GOVERNMENTAL FUNDS**
**June 30, 2022**

| | General | School Lunch | Special Aid | Miscellaneous Special Revenue | Debt Service | Capital | Total |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and Cash Equivalents | $ 1,398,684 | $ 87,830 | $ 670,694 | $ | $ | $ | $ 2,157,208 |
| Restricted Cash and Cash Equivalents | 4,846,817 | | | 29,344 | 938,556 | 2,235,387 | 8,050,104 |
| Receivables | | | | | | | |
| Due From Other Governments | 636,369 | 13,075 | 817,525 | | | 161,122 | 1,628,091 |
| Due From Other Funds | 1,247,440 | 13,075 | 90,340 | | 9 | | 1,350,864 |
| Other Receivables | 61,497 | | | | | | 61,497 |
| Total Assets | $ 8,190,807 | $ 113,980 | $ 1,578,559 | $ 29,344 | $ 938,565 | $ 2,396,509 | $ 13,247,764 |
| **Liabilities** | | | | | | | |
| Payables | | | | | | | |
| Accounts Payable | $ 46,467 | $ | $ | $ | $ | $ | $ 46,467 |
| Accrued Liabilities | 137,596 | | | | | | 137,596 |
| Due To | | | | | | | |
| Other Funds | | 3,157 | 1,346,784 | | | 923 | 1,350,864 |
| Teachers' Retirement System | 520,418 | | | | | | 520,418 |
| Employees' Retirement System | 33,330 | | | | | | 33,330 |
| Overpayments and Collections in Advance | | | 231,775 | | | | 231,775 |
| Total Liabilities | 737,811 | 3,157 | 1,578,559 | | | 923 | 2,320,450 |
| **Fund Balance** | | | | | | | |
| Restricted | 4,846,817 | | | 29,344 | 938,565 | 2,395,586 | 8,210,312 |
| Assigned | 1,724,076 | 110,823 | | | | | 1,834,899 |
| Unassigned | 882,103 | | | | | | 882,103 |
| Total Fund Balance | 7,452,996 | 110,823 | | 29,344 | 938,565 | 2,395,586 | 10,927,314 |
| **Total Liabilities and Fund Balance** | $ 8,190,807 | $ 113,980 | $ 1,578,559 | $ 29,344 | $ 938,565 | $ 2,396,509 | $ 13,247,764 |

**ORISKANY CENTRAL SCHOOL DISTRICT**
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**
**TO THE DISTRICT-WIDE NET POSITION**
**June 30, 2022**

| | | |
|---|---|---|
| Total Governmental Fund Balances | | $ 10,927,314 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| The cost of building and acquiring capital assets (land, buildings, equipment) and right to use leased assets 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 School District as a whole, and their original costs are expensed annually over their useful lives. | | |
| Right to Use Leased Assets | 531,797 | |
| Accumulated Amortization | (473,549) | |
| Original Cost of Capital Assets | 31,153,011 | |
| Accumulated Depreciation | (16,320,228) | 14,891,031 |
| Proportionate share of long-term asset and/or liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds. | | |
| Deferred Outflows - Pensions | 3,342,699 | |
| Net Pension Asset - Proportionate Share | 5,088,243 | |
| Deferred Inflows - Pensions | (6,253,596) | 2,177,346 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of: | | |
| Bonds Payable | (5,565,000) | |
| Premium on Bond | (469,940) | |
| Lease Liability | (58,052) | |
| Accrued Interest on Bonds Payable | (7,635) | |
| Other Postemployment Benefits | (23,164,597) | |
| Deferred Outflows - Other Postemployment Benefits | 4,446,732 | |
| Deferred Inflows - Other Postemployment Benefits | (8,597,441) | |
| Compensated Absences Payable | (566,730) | (33,982,663) |
| Total Net Position | | $ (5,986,972) |

**ORISKANY CENTRAL SCHOOL DISTRICT**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**ALL GOVERNMENTAL FUNDS**
**For the Year Ended June 30, 2022**

| | General | School Lunch | Special Aid | Miscellaneous Special Revenue | Debt Service | Capital | Total |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Real Property Taxes | $ 5,518,705 | $ | $ | $ | $ | $ | $ 5,518,705 |
| Other Real Property Tax Items | 996,375 | | | | | | 996,375 |
| Charges for Services | 59,657 | | | | | | 59,657 |
| Use of Money and Property | 1,855 | 13,084 | | 3 | 190 | | 15,132 |
| Sale of Property and Compensation for Loss | 22,420 | | | | | | 22,420 |
| Miscellaneous | 315,361 | | | 11,600 | | | 326,961 |
| State Aid | 7,818,088 | 13,075 | 162,367 | | | | 7,993,530 |
| Federal Aid | 61,908 | | 1,131,183 | | | | 1,193,091 |
| Total Revenues | 14,794,369 | 26,159 | 1,293,550 | 11,603 | 190 | | 16,125,871 |
| **Expenditures** | | | | | | | |
| General Support | 2,123,742 | | | | | | 2,123,742 |
| Instruction | 7,039,793 | | 1,138,736 | 2,950 | | 83,462 | 8,264,941 |
| Pupil Transportation | 852,290 | | 18,175 | | | | 870,465 |
| Community Service | 10,329 | | | | | | 10,329 |
| Food Service Program | | 34,101 | | | | | 34,101 |
| Employee Benefits | 3,007,795 | | 205,157 | | | | 3,212,952 |
| Capital Outlay | | | | | | 914 | 914 |
| Debt Service - Principal | 915,410 | | | | | | 915,410 |
| Debt Service - Interest | 195,356 | | | | | | 195,356 |
| Total Expenditures | 14,144,715 | 34,101 | 1,362,068 | 2,950 | | 84,376 | 15,628,210 |
| Excess (Deficit) Revenues Over Expenditures | 649,654 | (7,942) | (68,518) | 8,653 | 190 | (84,376) | 497,661 |
| **Other Financing Sources (Uses)** | | | | | | | |
| Proceeds of Leases | | | | | | 83,462 | 83,462 |
| Proceeds of Advance Refunding Bond | | | | | 965,000 | | 965,000 |
| Payment to Escrow Agent | | | | | (963,280) | | (963,280) |
| Bond Issuance Costs | | | | | (34,190) | | (34,190) |
| Premium on Obligations | | | | | 32,470 | | 32,470 |
| Transfers from Other Funds | | | 68,518 | | | 2,000,000 | 2,068,518 |
| Transfers to Other Funds | (2,068,518) | | | | | | (2,068,518) |
| Total Other Financing Sources (Uses) | (2,068,518) | | 68,518 | | | 2,083,462 | 83,462 |
| **Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)** | (1,418,864) | (7,942) | | 8,653 | 190 | 1,999,086 | 581,123 |
| **Fund Balance, Beginning of Year** | 8,871,860 | 118,765 | | 62,760 | 938,375 | 396,500 | 10,388,260 |
| **Prior Period Adjustment** | | | | (42,069) | | | (42,069) |
| **Fund Balance, Beginning of Year (Restated)** | 8,871,860 | 118,765 | | 20,691 | 938,375 | 396,500 | 10,346,191 |
| **Fund Balance, End of Year** | $ 7,452,996 | $ 110,823 | $ | $ 29,344 | $ 938,565 | $ 2,395,586 | $ 10,927,314 |

The Accompanying Notes are an Integral Part of These Financial Statements.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**For the Year Ended June 30, 2022**

| | | | |
|---|---|---|---|
| Net Changes in Fund Balance - Total Governmental Funds | | $ | 581,123 |
| Capital Outlays to purchase, build, or lease capital assets or right to use leased assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation expense in the period. | | | |
| Right to Use Leased Asset | 46,635 | | |
| Amortization Expense on Leased Assets | (125,871) | | |
| Depreciation Expense | (711,482) | | |
| Capital Outlays | 313,683 | | (477,035) |
| Notes payable and bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which bond proceeds exceeded repayments during the period. | | | |
| Principal Paid on Lease Liability | 25,410 | | |
| Principal Payments on Bonds | 890,000 | | |
| Amortization Expense on Leased Assets | (125,871) | | |
| Additional Proceeds from Refunding | (1,720) | | |
| Amortization of Premium on Bond | 51,859 | | |
| Premium on Bond | (32,470) | | 807,208 |
| Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | | |
| Change in Accrued Interest on Serial Bonds | 1,212 | | |
| Change in Other Postemployment Benefits (including Deferred Outflows and Inflows) | (1,140,899) | | |
| Change in Pension Expense | 889,480 | | |
| Change in Compensated Absences | (237,894) | | (488,101) |
| Change in Net Position Governmental Activities | | $ | 423,195 |

The Accompanying Notes are an Integral Part of These Financial Statements.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**STATEMENT OF FIDUCIARY NET POSITION**
**June 30, 2022**

| | Custodial |
|---|---|
| **Assets** | |
| Cash and Cash Equivalents - Restricted | $ 68,671 |
| **Net Position** | |
| Restricted for Extraclassroom Activities | $ 68,671 |

The Accompanying Notes are an Integral Part of These Financial Statements.

## ORISKANY CENTRAL SCHOOL DISTRICT
## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
### For the Year Ended June 30, 2022

| | Custodial |
|---|---|
| **Additions** | |
| Interest Income | 7 |
| Extraclassroom - Receipts | 107,094 |
| Total Additions | 107,101 |
| **Deductions** | |
| Extraclassroom - Expenses | 101,190 |
| **Change in Net Position** | 5,911 |
| **Net Position, Beginning of Year** | 20,691 |
| **Prior Period Adjustment** | 42,069 |
| **Net Position, Beginning of Year (Restated)** | 62,760 |
| **Net Position, End of Year** | $ 68,671 |

The Accompanying Notes are an Integral Part of These Financial Statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

***Reporting Entity***

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

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

The accompanying basic financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School 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 School District's reporting entity.

***Extraclassroom Activity Funds***

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

***Joint Venture***

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

BOCES are organized under Section 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 Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 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, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

***Basis of Presentation***

***(a) District-Wide Statements***

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

***(b) Fund Financial Statements***

The fund statements provide information about the School 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. All funds of the School District are displayed as major funds. The School District reports the following governmental funds:

***General Fund***: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

***Special Revenue Funds:***

School Lunch Fund: This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

Miscellaneous Special Revenue Fund: This fund is used to account for various scholarship awards.

***Debt Service Fund***: This fund accounts for and reports financial resources that are restricted to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

***Capital Projects Fund***: This fund is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***(c) Fiduciary Funds***

This fund is used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide financial statements, because their resources do not belong to the School District and are not available to be used. There is one class of fiduciary funds:

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

***Measurement Focus and Basis of Accounting***

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other postemployment benefit obligations 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.

***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, other postemployment benefit obligations, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

***Cash and Cash Equivalents***

The School 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 School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

***Property Taxes***

Real property taxes are levied annually by the Board of Education and become a lien on September 1. Taxes are collected during the period September 1 to November 1. The County of Oneida subsequently enforces uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

***Receivables***

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

***Interfund Transactions***

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 10 to the financial statements.

***Capital Assets***

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, 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. The School District uses capitalization thresholds of $1,000 for machinery, equipment, vehicles, land and building improvements. Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

| | Lives | Method |
|---|---|---|
| Furniture, Equipment, and Vehicles | 5-15 Years | Straight Line |
| Buildings and Improvements | 50 Years | Straight Line |
| Land Improvements | 20 Years | Straight Line |

***Right to Use Leased Assets***

The District has recorded right to use lease assets as a result of implementing GASB 87 – Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

***Unearned Revenue***

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

***Deferred Outflow of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. First is the deferred charge on refunding of debt reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions not included in pension expense. The third item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience, and changes in assumptions during the year.

***Deferred Inflows of Resources***

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 two items that qualifies 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 asset and liability 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 item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

***Vested Employee Benefits - Compensated Absences***

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

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

Consistent with GASB, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

***Other Benefits***

Eligible School District employees participate in the New York State Teachers' Retirement System or the New York State Employees' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are 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 postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

***Accrued Liabilities and Long-Term Obligations***

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

***Restricted Resources***

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

***Equity Classifications***

***(a) District-wide Financial 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, construction or improvements of those assets.

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

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

***(b) Fund Statements***

The School District follows GASB's authoritative guidance under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

***Non-spendable***

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventories in the school lunch fund.

***Restricted Resources***

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***Reserve for Workers' Compensation*** – This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. Within sixty days after the end of any fiscal year, excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the General Fund.

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

- ***Retirement Contribution Reserve*** – The Retirement Contribution Reserve (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. 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 New York State Teachers' Retirement System. During a fiscal year, a Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.

- ***Liability and Property Loss Reserve*** – The Property Loss and Liability Reserves [Education Law §1709(8)(c)] are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000. These reserves are accounted for in the General Fund.

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

- ***Reserve for Tax Certiorari*** – 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 that amount, which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year deposit of these monies. The reserve is accounted for in the General Fund.

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

- ***Capital Reserve*** – The Capital Reserve 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 people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of 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 Section 3651 of Education Law. This reserve is accounted for in the General Fund.

- ***Reserve for Repairs*** – According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.
- ***Miscellaneous Special Revenue Fund*** – This fund is used to account for various endowment and scholarship awards.
- ***Debt Service*** – Used to account for the accumulation of resources and that are restricted to pay debt service. The fund includes all unused debt proceeds and interest and earnings on temporary investment of debt proceeds. This reserve is accounted for in the Debt Service Fund.
- ***Capital Projects Fund*** – This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

***Unrestricted Resources***

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

- ***Committed*** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2022.
- ***Assigned*** – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official such as the District's purchasing agent to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than the capital projects fund, are classified as assigned fund balance. The amount appropriated for the subsequent year's budget of the general fund is also classified as assigned fund balance in the general fund.
- ***Unassigned*** – Includes all other fund net assets that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

***(c) Restricted for Extraclassroom Activities***

This reserve is used to account for various student groups or extraclassroom. This reserve is accounted for in the Custodial Fund.

***(d) Order of Use of Fund Balance***

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

***New Accounting Standard***

Effective July 1, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information on the District's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to 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.

## 2. EXPLANATION OF 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 resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

***Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities***

Total fund balances of the School District's governmental funds differs 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 Sheet.

***Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To 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 six broad categories.

***(a) 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.

***(b) 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.

***(c) 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.

***(d) Employee Benefit Allocation***

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balance based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

***(e) Pension Differences***

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

***(f) OPEB Differences***

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

## 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

***Budgetary Procedures and Budgetary Accounting***

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

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

Appropriations are adopted at the program line item level.

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

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 the subsequent fiscal years until the completion of the projects.

***Encumbrances***

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

***NYS Real Property Tax Cap***

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2021-2022 school year was in compliance with the NYS Tax Cap Limit.

***General Fund – Statutory Unassigned Fund Balance Limit***

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Non-spendable 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.

At June 30, 2022, the School District's unassigned fund balance was 5.29% of the 2022-2023 budget.

## 4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

A. Uncollateralized;
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

As of June 30, 2022, with the School District's bank balances totaling $10,417,737 were fully collateralized by securities held by an agent of the pledging financial institution in the School District's name, FDIC insurance and NCUA insurance and were not exposed to custodial credit risk.

## 5. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash of $4,846,817 in the General Fund represents the following:

| Description | Amount |
|---|---|
| Workers' Compensation | $ 230,077 |
| Unemployment Insurance | 173,967 |
| Retirement Contribution - ERS | 858,380 |
| Retirement Contribution - TRS | 242,141 |
| Property Loss | 50,966 |
| Liability | 100,152 |
| Insurance | 821,900 |
| Tax Certiorari | 105,745 |
| Employee Benefit Accrued Liability | 550,194 |
| Capital | 1,312,260 |
| Repairs | 401,035 |
| Total | $ 4,846,817 |

Restricted cash of $29,344 in the Miscellaneous Special Revenue Fund represents funds gifted to the school district for scholarships and awards.

Restricted cash of $938,556 in the Debt Service Fund represents cash restricted towards future debt service expenditures.

Restricted cash of $2,235,387 in the Capital Fund represents cash restricted towards the District's capital projects.

Restricted cash of $68,671 in the Fiduciary Custodial Fund represents the student activity cash balances at June 30, 2022.

## 6. CAPITAL ASSETS & RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Capital Assets Not Being Depreciated** | | | | |
| Land | $ 441,500 | $ | $ | $ 441,500 |
| Total | 441,500 | | | 441,500 |
| **Capital Assets Being Depreciated** | | | | |
| Buildings and Improvements | 27,137,330 | | | 27,137,330 |
| Furniture and Equipment | 1,696,013 | 18,238 | 46,773 | 1,667,478 |
| Vehicles | 1,657,893 | 248,810 | | 1,906,703 |
| Total | 30,491,236 | 267,048 | 46,773 | 30,711,511 |
| Accumulated Depreciation | | | | |
| Buildings and Improvements | 13,586,161 | 434,935 | | 14,021,096 |
| Furniture and Equipment | 1,210,987 | 70,168 | 46,773 | 1,234,382 |
| Vehicles | 858,371 | 206,379 | | 1,064,750 |
| Total | 15,655,519 | 711,482 | 46,773 | 16,320,228 |
| **Net Capital Assets Being Depreciated** | 14,835,717 | (444,434) | | 14,391,283 |
| **Net Capital Assets** | $ 15,277,217 | $ (444,434) | $ | $ 14,832,783 |

Depreciation expense is allocated to the following functions/programs:

| Function/Program | | |
|---|---|---|
| General Support | $ | 149,815 |
| Instruction | | 498,409 |
| Transportation | | 60,123 |
| School Lunch Services | | 2,406 |
| Community Services | | 729 |
| Total Depreciation | $ | 711,482 |

Right to use leased asset activity for the year ended June 30, 2022, is as follows:

| | Restated Beginning Balance | Additions | Deletions | Ending Balance |
|---|---|---|---|---|
| **Right to Use Leased Assets** | | | | |
| Leased Equipment | $ 485,162 | $ 46,634 | $ | $ 531,796 |
| Total | 485,162 | 46,634 | | 531,796 |
| **Accumulated Amortization** | | | | |
| Leased Equipment | 347,678 | 125,870 | | 473,548 |
| Total | 347,678 | 125,870 | | 473,548 |
| **Net Right to Use Leased Assets** | $ 137,484 | $ (79,236) | $ | $ 58,248 |

Amortization expense of $125,871 is charged solely to instruction.

## 7. LONG-TERM LIABILITIES

Long-term liability balances and activity are as follows:

| Description | Beginning Balance | Additions | Deductions | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Bonds Payable | | | | | |
| Serial Bonds | $ 6,440,000 | $ 965,000 | $ 1,840,000 | $ 5,565,000 | $ 670,000 |
| Premium on Bond | 489,329 | 32,470 | 51,859 | 469,940 | 51,859 |
| Other Liabilities | | | | | |
| Other Postemployment Benefits | 28,124,336 | 2,026,706 | 6,986,445 | 23,164,597 | |
| Net Pension Liability | 79,616 | | 79,616 | | |
| Lease Liability | | 83,462 | 25,410 | 58,052 | 19,168 |
| Compensated Absences | 328,836 | 237,894 | | 566,730 | |
| Total Long Term Liabilities | $ 35,462,117 | $ 3,345,532 | $ 8,983,330 | $ 29,824,319 | $ 741,027 |

The School District borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and District-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain circumstances prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Details relating to general obligation (serial) bonds and notes payable of the School District outstanding at June 30, 2022, are summarized as follows:

| Payable From/Description | Original Issue | Amount | Final Maturity | Interest Rate (%) | Outstanding Amount |
|---|---|---|---|---|---|
| General Fund | | | | | |
| Serial Bond | 06/2016 | $ 3,817,125 | 06/2031 | 2.00 - 2.50 | $ 2,395,000 |
| Serial Bond-Refunding | 06/2017 | $ 1,660,000 | 06/2023 | 0.90 - 3.00 | 130,000 |
| Serial Bond | 06/2020 | $ 2,470,000 | 06/2034 | 5.00 | 2,240,000 |
| Serial Bond-Refunding | 12/2021 | $ 965,000 | 12/2027 | 1.00 - 2.00 | 800,000 |
| Total | | | | | $ 5,565,000 |

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

| For the Year Ending | Serial Bonds | | |
|---|---|---|---|
| June 30, | Principal | Interest | Total |
| 2023 | $ 670,000 | $ 183,238 | $ 853,238 |
| 2024 | 550,000 | 164,338 | 714,338 |
| 2025 | 575,000 | 148,988 | 723,988 |
| 2026 | 595,000 | 132,838 | 727,838 |
| 2027 | 605,000 | 115,988 | 720,988 |
| 2028-2032 | 2,100,000 | 336,750 | 2,436,750 |
| 2033-2034 | 470,000 | 35,500 | 505,500 |
| Total | $ 5,565,000 | $ 1,117,640 | $ 6,682,640 |

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

| | |
|---|---|
| Interest Paid | $ 195,356 |
| Less: Interest Accrued in the Prior Year | (8,847) |
| Less: Amortization of Bond Premium | (51,859) |
| Plus: Interest Accrued in the Current Year | 7,635 |
| Total Interest Expense on Long-Term Debt | $ 142,285 |

***Serial Bond Unamortized Premium***

During 2022, the District issued $965,000 in general obligation bonds to advance refund $950,000 of outstanding 2012 serial bonds.

The original issue premium on this current and previous year's refunding bonds have been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premium is being amortized using the straight-line method over the life of the bond. The current year amortization is $51,859 and is included as a reduction to interest expense on the Statement of Activities.

| | |
|---|---|
| Unamortized Premium, 6/30/2021 | $ 489,329 |
| Add: Premium on Bond Issuance in Current Year | 32,470 |
| Less: Amount Recognized in Current Year | (51,859) |
| Unamortized Premium, 6/30/2022 | $ 469,940 |

***Debt Limit***

Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed 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 Constitutional and statutory method for determining full valuation consist of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority. At June 30, 2022, the School District was in compliance with its statutory debt limit.

***Compensated Absences***

Compensated absences represent vacation and sick time that has been earned by School District employees but not used as of June 30, 2022.

***Lease Liability***

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates and are for a term of 3-5 years. The lease liability is measured at a discount rate which is stated in the lease agreements. As a result of these leases, the District has recorded a right to use asset with a net book value of $58,052 at June 30, 2022.

| For the Year Ending | Leases | | |
|---|---|---|---|
| June 30, | Principal | Interest | Total |
| 2023 | $ 19,168 | $ 551 | $ 19,719 |
| 2024 | 19,350 | 369 | 19,719 |
| 2025 | 19,534 | 185 | 19,719 |
| Total | $ 58,052 | $ 1,105 | $ 59,157 |

## 8. PENSION PLANS

### A. New York State and Local Employees' Retirement System (ERS)

***(a) Plan Description***

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

***(b) Contributions***

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3% and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2022, were paid.

The required contributions for the current year and two preceding years were:

| | | Amount |
|---|---|---|
| 2020 | $ | 121,658 |
| 2021 | | 118,249 |
| 2022 | | 133,320 |

***(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2022, the School District reported an asset of $233,231 for its proportionate share of the net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 and 2021, the School District's proportion was .0028531 percent and .0021763 percent, respectively.

For the year ended June 30, 2022, the School District recognized a pension credit of $34,383. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 17,663 | $ 22,910 |
| Change of assumptions | 389,237 | 6,568 |
| Net difference between projected and actual earnings on Pensions plan investments | | 763,735 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 88,332 | 16,229 |
| Contributions subsequent to the measurement date | 30,683 | |
| Total | $ 525,915 | $ 809,442 |

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

| Year Ended June 30, | | |
|---|---|---|
| 2023 | $ | (35,202) |
| 2024 | | (67,209) |
| 2025 | | (183,964) |
| 2026 | | (27,835) |

**(d) Actuarial Assumptions**

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

Significant actuarial assumptions used in the April 1, 2021 valuation was as follows:

| | |
|---|---|
| Investment rate of return (net of investment expense, including inflation) | 5.90% |
| Salary scale | 4.40% |
| Decrement tables | April 1, 2015 - March 31, 2020 System's Experience |
| Inflation rate | 2.70% |

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020.

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized below.

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity | 32.00% | 3.30% |
| International equity | 15.00% | 5.85% |
| Private equity | 10.00% | 6.50% |
| Real estate | 9.00% | 5.00% |
| Opportunistic/ARS portfolio | 3.00% | 4.10% |
| Credit | 4.00% | 3.78% |
| Real assets | 3.00% | 5.80% |
| Fixed income | 23.00% | 0.00% |
| Cash | 1.00% | -1.00% |
| | 100.00% | |

**Real rates of return are net of long-term inflation assumption of 2.50%*

### (e) Discount Rate

The discount rate used to calculate the total pension liability was 5.9 percent. 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.

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

The following presents the School District's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.9 percent, as well as what the School 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 (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

| | 1% Decrease (4.9%) | Current Assumption (5.9%) | 1% Increase (6.9%) |
|---|---|---|---|
| Proportionate share of the net pension liability (asset) | $ 600,335 | $ (233,231) | $ (930,470) |

**(g) Pension Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

**(h) Payables to the Pension Plan**

The School District has recorded an amount due to ERS in amount of $30,683 at June 30, 2022. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2022-2023 billing cycle and has been accrued as an expenditure in the current year.

**B. New York State Teachers' Retirement System (TRS)**

***(a) Plan Description***

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

***(b) Contributions***

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System.

However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

| | Amount |
|---|---|
| 2020 | $ 420,298 |
| 2021 | 452,082 |
| 2022 | 487,774 |

**(c) *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2022, the School District reported an asset of $4,855,012 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the School District's proportion was .028017 percent, which was a decrease of .00001 percent from its proportion measured as of June 30, 2020 of .028027 percent.

For the year ended June 30, 2022, the School District recognized pension credit of $274,962. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 669,212 | $ 25,224 |
| Changes of assumptions | 1,596,915 | 282,790 |
| Net difference between projected and actual earnings on pensions plan investments | | 5,081,272 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 49,603 | 54,868 |
| Contributions subsequent to the measurement date | 487,774 | |
| Total | $ 2,803,504 | $ 5,444,154 |

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension asset. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

| Year ended June 30: | |
|---|---|
| 2022 | $ (623,349) |
| 2023 | (734,691) |
| 2024 | (925,004) |
| 205 | (1,228,935) |
| 2026 | 222,569 |
| Thereafter | 160,986 |

***(d) Actuarial Assumptions***

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

Significant actuarial assumptions used in the June 30, 2020 valuation were as follows:

| | |
|---|---|
| Investment Rate of Return | 6.95% compounded annually, net of pension plan investment expense, including inflation. |
| Salary scale | Rates of increase differ based on service. |
| | They have been calculated based upon recent NYSTRS member experience. |

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

| | |
|---|---|
| Projected COLAs | 1.3% compounded annually. |
| Inflation rate | 2.4% |

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2020, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on Scale MP 2020 starting as of June 30, 2021.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2021 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|---|---|---|
| Domestic equity | 33.0% | 6.8% |
| International equity | 16.0% | 7.6% |
| Global equity | 4.0% | 7.1% |
| Real estate equity | 11.0% | 6.5% |
| Private equity | 8.0% | 10.0% |
| Domestic fixed income | 16.0% | 1.3% |
| Global bonds | 2.0% | 0.8% |
| Private debt | 1.0% | 5.9% |
| Real estate debt | 7.0% | 3.3% |
| High-yield bonds | 1.0% | 3.8% |
| Cash equivalents | 1.0% | -0.2% |
| | 100.0% | |

** Real rates of return are net of the long-term inflation assumption of 2.4% for 2021.*

### *(e) Discount Rate*

The discount rate used to measure the pension liability (asset) was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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.

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

The following presents School District's proportionate share of the net pension (asset) liability calculated using the discount rate of 6.95 percent, as well as what the School 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 (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

| | 1% Decrease (5.95%) | Current Assumption (6.95%) | 1% Increase (7.95%) |
|---|---|---|---|
| Proportionate share of the net pension liability (asset) | $ (509,463) | $ (4,855,012) | $ (8,507,130) |

**(g) *Pension Plan Fiduciary Net Position***

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

**(h) *Payables to the Pension Plan***

The School District has recorded an amount due to TRS in amount of $487,774 (excluding employees' share) in the General Fund at June 30, 2022. This amount represents contribution for the 2021-2022 fiscal year that will be made in 2022-2023 and has been accrued as an expenditure in the current year.

## 9. OTHER POSTEMPLOYMENT BENEFITS

***(a) Plan Descriptions***

The District provides medial benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the District has in place with different classifications of employees.

The District acquires health insurance through Excellus BlueCross/BlueShield. The insurance plans cover medical and pharmaceutical costs. Refer to plan documents for the specifics and limitations of the coverage offered to retirees. Many of the services provided by Excellus BlueCross/Blue Shield require co-payments at various levels depending on the nature of the service.

The School District provides medical, dental and life insurance to retirees and their covered dependents. The School District pays a portion of the cost for eligible retirees, covered spouses, and dependents. Currently there are approximately 417 current and former employees participating in the School District's Other Postemployment Benefits (OPEB) plan. The benefits provided to employees upon retirement are based upon provisions in various contracts that the District has in place with different classifications of employees. All active employees who retire or are disabled directly from the School District and meet eligibility criteria can participate.

The Plan does not issue a stand-alone publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

***(b) Benefits Provided***

The benefits provided to active employees at retirement and eligibility requirements are summarized below:

| Employee Group | Description of Benefits | Retiree Contributions | Comments |
|---|---|---|---|
| Superintendent | Medical | Individual - 10%<br>Family - 50%<br>Surviving Spouse - 20% | Required Age - 55<br>Required Service - 10 |
| Administrators | Medical | Individual - 15%<br>Family - 45%<br>Surviving Spouse - 15% | Required Age - 55<br>Required Service - 10 |
| Instructional | Medical | Individual - 25%<br>Family - 50%<br>Surviving Spouse - 50% | Required Age - 55<br>Required Service - 10 |
| Non-Instructional | Medical | Individual - 25%<br>Family - 50%<br>Surviving Spouse - 50% | Required Age - 55<br>Required Service - 10 |
| Business Administrator | Medical | Individual - 10%<br>Family - 50%<br>Surviving Spouse - 50% | Required Age - 55<br>Required Service - 10 |

For all of the above groups, vision benefits are provided through plan and retiree is responsible for 100% of the costs

***(c) Employees Covered by Benefit Terms***

| | Total |
|---|---|
| Actives | 104 |
| Retirees | 65 |
| Beneficiaries | 2 |
| Spouses of Retirees | 19 |
| Total | 190 |

***(d) Total OPEB Liability***

The District's total OPEB liability of $23,164,597 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020.

***(e) Changes in the Net OPEB Liability***

Changes in the District's total OPEB liability were as follows:

| | Total OPEB Liability |
|---|---|
| Balance as of June 30, 2021 | $ 28,124,336 |
| Changes recognized for the year: | |
| Service cost | 1,394,524 |
| Interest | 632,182 |
| Effect of assumption changes or inputs | (6,481,440) |
| Benefit payments | (505,005) |
| Net changes | (4,959,739) |
| Balance as of June 30, 2022 | $ 23,164,597 |

***(f) 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 (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

| | 1% Decrease 2.54% | Current Assumption 3.54% | 1% Increase 4.54% |
|---|---|---|---|
| Total OPEB liability as of June 30, 2022 | $ 27,631,843 | $ 23,164,597 | $ 19,658,577 |

***(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates***

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.30 declining to 3.10 percent) or 1 percentage point higher (6.30 declining to 5.10 percent) than the current healthcare cost trend rate:

| | 1% Decrease | Current Assumption | 1% Increase |
|---|---|---|---|
| Total OPEB liability as of June 30, 2022 | $ 18,918,401 | $ 23,164,597 | $ 28,805,894 |

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

***(h) 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 $1,140,899. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 35,480 | $ 3,055,340 |
| Changes of assumptions | 4,411,252 | 5,542,101 |
| Total | $ 4,446,732 | $ 8,597,441 |

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | | Amount |
|---|---|---|
| 2023 | $ | (380,802) |
| 2024 | | (380,802) |
| 2025 | | (381,592) |
| 2026 | | (963,801) |
| 2027 | | (1,111,982) |
| Thereafter | | (931,730) |

### *(i) Actuarial Methods and Assumptions*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, with a June 30, 2022 measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

| | |
|---|---|
| Valuation Date | July 1, 2020 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry Age Normal |
| Inflation rate | 2.60% |
| Healthcare Cost Trend Rates | 5.3%, decreasing to 4.1% over 55 years |
| Discount Rate | 3.54% |

The discount rate changed from 2.16% to 3.54%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

## 10. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

| | Interfund | | Interfund | |
|---|---|---|---|---|
| Fund | Receivables | Payables | Revenues | Expenditures |
| General | $ 1,247,440 | $ | $ | $ 2,068,518 |
| School Lunch | 13,075 | 3,157 | | |
| Special Aid | 90,340 | 1,346,784 | 68,518 | |
| Debt Service | 9 | | | |
| Capital Projects | | 923 | 2,000,000 | |
| Total Government Activities | $ 1,350,864 | $ 1,350,864 | $ 2,068,518 | $ 2,068,518 |

- The District made a transfer of $68,518 from the General Fund to the Special Aid Fund, which represents the local share of the Summer School Program and Title IIA.
- The District transferred $2,000,000 from the General Fund to the Capital Fund for capital project expenditures.
- Interfund receivables and payables are typically liquidated within 1 year.

## 11. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the governmental fund's Balance Sheet:

| | General | School Lunch | Miscellaneous Special Revenue | Debt Service | Capital Projects | Total |
|---|---|---|---|---|---|---|
| **Restricted** | | | | | | |
| Workers' Compensation | $ 230,077 | $ | $ | $ | $ | $ 230,077 |
| Unemployment Insurance | 173,967 | | | | | 173,967 |
| Retirement Contribution - ERS | 858,380 | | | | | 858,380 |
| Retirement Contribution - TRS | 242,141 | | | | | 242,141 |
| Property Loss | 50,966 | | | | | 50,966 |
| Liability | 100,152 | | | | | 100,152 |
| Insurance | 821,900 | | | | | 821,900 |
| Tax Certiorari | 105,745 | | | | | 105,745 |
| Employee Benefits Accrued Liability | 550,194 | | | | | 550,194 |
| Capital | 1,312,260 | | | | | 1,312,260 |
| Repairs | 401,035 | | | | | 401,035 |
| Reserve for Scholarships | | | 29,344 | | | 29,344 |
| Debt Service | | | | 938,565 | | 938,565 |
| Capital Projects | | | | | 2,395,586 | 2,395,586 |
| **Total Restricted** | 4,846,817 | | 29,344 | 938,565 | 2,395,586 | 8,210,312 |
| **Assigned** | | | | | | |
| Encumbrances | 43,489 | | | | | 43,489 |
| School Lunch | | 110,823 | | | | 110,823 |
| Appropriated for Subsequent Year's Budget | 1,680,587 | | | | | 1,680,587 |
| **Total Assigned** | 1,724,076 | 110,823 | | | | 1,834,899 |
| **Unassigned** | 882,103 | | | | | 882,103 |
| **Total Fund Balance** | $ 7,452,996 | $ 110,823 | $ 29,344 | $ 938,565 | $ 2,395,586 | $ 10,927,314 |

(b) The following is a summary of the change in general fund restricted funds during the year ended June 30, 2022:

| Restricted Fund | Balance at July 01, 2021 | Additions | Deductions | Balance at June 30, 2022 |
|---|---|---|---|---|
| Workers Compensation | $ 143,197 | $ 86,880 | $ | $ 230,077 |
| Unemployment Insurance | 73,951 | 100,016 | | 173,967 |
| Retirement Contribution - ERS | 858,211 | 169 | | 858,380 |
| Retirement Contribution - TRS | 50,021 | 192,120 | | 242,141 |
| Property Loss | 50,956 | 10 | | 50,966 |
| Liability | 100,133 | 19 | | 100,152 |
| Insurance | 821,739 | 161 | | 821,900 |
| Tax Certiorari | 105,725 | 20 | | 105,745 |
| Employee Benefit Accured Liability | 550,086 | 108 | | 550,194 |
| Capital | 2,637,102 | 675,158 | 2,000,000 | 1,312,260 |
| Repairs | 200,996 | 200,039 | | 401,035 |
| Total | $ 5,592,117 | $ 1,254,700 | $ 2,000,000 | $ 4,846,817 |

## 12. CONTINGENCIES

***Risk Financing and Related Insurance***

***(a) General Information***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions and natural disasters. 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 three years.

***(b) Potential Grantor Liability***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

## 13. NET POSITION DEFICIT – DISTRICT WIDE

The District-wide net position had an unrestricted net position deficit at June 30, 2022 of $25,230,710 and a total net position deficit of $5,986,972. The deficit is primarily the result of GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which requires the recognition of an unfunded liability of $23,164,597 at June 30, 2022. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

## 14. TAX ABATEMENTS

The County of Oneida Industrial Development Agency and the School District entered into property tax abatement programs for the purpose of economic development with a local employer. For the year ended June 30, 2022 the School District's property tax revenue was reduced by $47,561 as a result of these tax abatement agreements. For the year ended June 30, 2022 the School District received payment in lieu of taxes (PILOTs) totaling $90,356.

## 15. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENTS

The implementation of GASB 87, Accounting for Leases required a net adjustment to beginning net position in the amount of $137,484.

A prior period adjustment in the amount of $697,000 was necessary to correct an error in the recording the district's proportionate share of the net pension liability for TRS in accordance with GASB 68.

A prior period adjustment in the amount of $62,760 was made to remove extraclassroom fund balance from the Miscellaneous Special Revenue Fund and move it to the Custodial Fund.

A prior period adjustment in the amount of $(20,691) was made to remove scholarship fund balance from the Custodial Fund and move it to the Miscellaneous Special Revenue Fund.

| | | |
|---|---|---|
| Net Position (Deficit) Beginning of Year, As Previously Stated | $ | (5,808,582) |
| GASB Statement No. 87 Implementation: | | 137,484 |
| Net Prior Period Adjustments | | (739,069) |
| Net Position (Deficit) Beginning of Year, As Restated | $ | (6,410,167) |

## 16. SUBSEQUENT EVENTS

The School District issued a Bond Anticipation Note (BAN) on July 27, 2022 for $2,500,000 with an interest rate of 2.86%.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**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 | Actual | Final Budget Variance With Actual |
|---|---|---|---|---|
| **Revenues** | | | | |
| Local Sources | | | | |
| Real Property Taxes | $ 5,471,405 | $ 5,471,405 | $ 5,518,705 | $ 47,300 |
| STAR and Other Real Property Tax Items | 1,062,911 | 1,062,911 | 996,375 | (66,536) |
| Charges for Services | | | 59,657 | 59,657 |
| Use of Money and Property | 10,000 | 10,000 | 1,855 | (8,145) |
| Sale of Property and Compensation for Loss | | | 22,420 | 22,420 |
| Miscellaneous | 100,000 | 100,000 | 315,361 | 215,361 |
| State Aid | 7,991,118 | 7,991,118 | 7,818,088 | (173,030) |
| Federal Aid | 9,500 | 9,500 | 61,908 | 52,408 |
| Total Revenues | 14,644,934 | 14,644,934 | 14,794,369 | 149,435 |
| **Other Financing Sources** | | | | |
| Appropriated Fund Balance | 1,699,063 | 1,699,063 | | (1,699,063) |
| Total Revenues and Other Financing Sources | $ 16,343,997 | $ 16,343,997 | 14,794,369 | $ (1,549,628) |

| | Original Budget | Final Budget | Actual | Year-End Encumbrances | Final Budget Variance With Actual And Encumbrances |
|---|---|---|---|---|---|
| **Expenditures** | | | | | |
| General Support | | | | | |
| Board of Education | $ 18,125 | $ 20,245 | $ 16,886 | $ | $ 3,359 |
| Central Administration | 217,975 | 282,082 | 265,346 | | 16,736 |
| Finance | 584,770 | 633,905 | 604,088 | | 29,817 |
| Staff | 154,443 | 147,280 | 132,699 | | 14,581 |
| Central Services | 1,261,831 | 1,119,240 | 901,402 | 12,268 | 205,570 |
| Special Items | 223,000 | 218,242 | 203,321 | | 14,921 |
| Total General Support | 2,460,144 | 2,420,994 | 2,123,742 | 12,268 | 284,984 |
| Instruction | | | | | |
| Instruction, Administration, and Improvement | 432,109 | 381,684 | 339,516 | | 42,168 |
| Teaching - Regular School | 4,049,803 | 3,938,458 | 3,461,784 | | 476,674 |
| Programs for Children With Special Needs | 2,380,556 | 2,204,357 | 1,791,557 | 14,836 | 397,964 |
| Occupational Education | 410,000 | 458,000 | 457,121 | | 879 |
| Teaching - Special School | 20,000 | 15,000 | 11,249 | | 3,751 |
| Instructional Media | 457,625 | 473,670 | 435,350 | | 38,320 |
| Pupil Services | 622,092 | 663,179 | 543,216 | 16,385 | 103,578 |
| Total Instruction | 8,372,185 | 8,134,348 | 7,039,793 | 31,221 | 1,063,334 |
| | | 125,871 | | | |
| Pupil Transportation | 905,110 | 967,847 | 852,290 | | 115,557 |
| Community Services | 13,950 | 12,450 | 10,329 | | 2,121 |
| Employee Benefits | 3,485,270 | 3,606,020 | 3,007,795 | | 598,225 |
| Debt Service - Principal | 875,000 | 890,000 | 915,410 | | (25,410) |
| Debt Service - Interest | 212,338 | 197,338 | 195,356 | | 1,982 |
| Total Expenditures | 16,323,997 | 16,228,997 | 14,144,715 | 43,489 | 2,040,793 |
| **Other Financing Uses** | | | | | |
| Transfers to Other Funds | 20,000 | 115,000 | 2,068,518 | | (1,953,518) |
| Total Expenditures and Other Financing Uses | $ 16,343,997 | $ 16,343,997 | 16,213,233 | $ 43,489 | $ 87,275 |
| **Net Change in Fund Balance** | | | (1,418,864) | | |
| **Fund Balance - Beginning of Year** | | | 8,871,860 | | |
| **Fund Balance - End of Year** | | | $ 7,452,996 | | |

**Note to Required Supplementary Information:**

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is 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.

## ORISKANY CENTRAL SCHOOL DISTRICT
## SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
**For the Year Ended June 30, 2022**

| Measurement Date | 6/30/2022* | 6/30/2021* | 6/30/2020* | 6/30/2019* | 6/30/2018* |
|---|---|---|---|---|---|
| Total OPEB Liability | | | | | |
| Service cost | $ 1,394,524 | $ 1,276,867 | $ 973,747 | $ 938,019 | $ 824,136 |
| Interest on Total OPEB Liability | 632,182 | 642,856 | 803,225 | 661,289 | 628,820 |
| Effect of Plan Changes | | (70,887) | | | |
| Effect of Demographic Gains or Losses | | (3,629,579) | | (956,001) | 103,715 |
| Change in Assumptions and Other Inputs | (6,481,440) | 2,334,754 | 4,593,539 | 797,152 | |
| Benefit payments | (505,005) | (480,012) | (586,305) | (554,424) | (621,623) |
| Net change in total OPEB Liability | (4,959,739) | 73,999 | 5,784,206 | 886,035 | 935,048 |
| Total OPEB Liability - Beginning | 28,124,336 | 28,050,337 | 22,266,131 | 21,380,096 | 20,445,048 |
| Total OPEB Liability - Ending | $ 23,164,597 | $ 28,124,336 | $ 28,050,337 | $ 22,266,131 | $ 21,380,096 |
| Covered payroll | $ 5,141,876 | $ 5,141,876 | $ 4,788,106 | $ 4,788,106 | $ 5,906,492 |
| Total OPEB Liability as a percentage of covered payroll | 450.51% | 546.97% | 585.83% | 465.03% | 361.98% |

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

**Notes to Required Supplementary Information:**

The District does not currently maintain assets in an OPEB trust.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 9 to the financial statements.

Changes to Assumptions

The discount rate changed from 2.16% to 3.54%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS**
**For the Year Ended June 30, 2022**

**ERS Pension Plan**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| Contractually Required Contribution | 133,320 | 118,249 | 121,658 | 122,627 | 120,498 | 138,294 |
| Contributions in Relation to the Contractually Required Contribution | 133,320 | 118,249 | 121,658 | 122,627 | 120,498 | 138,294 |
| Contribution Deficiency (Excess) | $ | $ | $ | $ | $ | $ |
| School District's Covered-ERS Employee Payroll | $ 924,779 | $ 995,346 | $ 882,127 | $ 1,158,470 | $ 1,020,148 | $ 945,428 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.42% | 11.88% | 13.79% | 10.59% | 11.81% | 14.63% |

**TRS Pension Plan**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| Contractually Required Contribution | $ 487,774 | $ 452,082 | $ 420,298 | $ 457,021 | $ 442,144 | $ 491,122 |
| Contributions in Relation to the Contractually Required Contribution | 487,774 | 452,082 | 420,298 | 457,021 | 442,144 | 491,122 |
| Contribution Deficiency (Excess) | $ | $ | $ | $ | $ | $ |
| School District's Covered-TRS Employee Payroll | $ 4,977,286 | $ 4,753,754 | $ 4,754,502 | $ 4,658,726 | $ 4,530,164 | $ 4,493,339 |
| Contributions as a Percentage of Covered-Employee Payroll | 9.80% | 9.51% | 8.84% | 9.81% | 9.76% | 10.93% |

**ORISKANY CENTRAL SCHOOL DISTRICT**
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY**
**For the Year Ended June 30, 2022**

**ERS Pension Plan**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| District's proportion of the net pension liability | 0.0028531% | 0.0021767% | 0.0023804% | 0.0024791% | 0.0024715% | 0.0029555% |
| District's porportionate share of the net pension liability | $ (233,231) | $ 2,167 | $ 630,340 | $ 175,655 | $ 79,767 | $ 277,707 |
| District's covered-employee payroll | $ 924,779 | $ 995,346 | $ 882,127 | $ 1,158,470 | $ 1,020,148 | $ 945,428 |
| District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll | 25.22% | 0.22% | 71.46% | 15.16% | 7.82% | 29.37% |
| Plan fiduciary net position as a percentage of total pension liability | 103.65% | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% |

**TRS Pension Plan**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| District's Proportion of the net pension asset/liability | 0.0280170% | 0.0280270% | 0.0270670% | 0.0272370% | 0.0283480% | 0.0285850% |
| District's proportionate share of the net pension (asset) liability | $ (4,855,012) | $ 774,449 | $ (703,196) | $ (492,522) | $ (215,472) | $ 306,161 |
| District's covered-employee payroll | $ 4,753,754 | $ 4,754,502 | $ 4,658,726 | $ 4,530,164 | $ 4,493,339 | $ 4,493,349 |
| District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll | 102.13% | 16.29% | 15.09% | 10.87% | 4.80% | 6.81% |
| Plan fiduciary net position as a percentage of total pension asset/liability | 113.20% | 97.80% | 102.20% | 101.53% | 100.66% | 99.01% |

* Information is presented for only years available

**Change from Adopted Budget to Final Budget**

| | | |
|---|---|---|
| Adopted Budget | $ | 16,325,098 |
| Add: Prior Year's Encumbrances | | 18,899 |
| Original Budget | | 16,343,997 |
| Final Budget | $ | 16,343,997 |

**Section 1318 of Real Property Tax Law Limit Calculation**

| | | | |
|---|---|---|---|
| 2022-23 voter-approved expenditure budget | | $ | 16,688,766 |
| Maximum allowed (4% of 2022-23 budget) | | $ | 667,551 |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law : | | | |
| Unrestricted fund balance: | | | |
| Assigned fund balance | 1,724,076 | | |
| Unassigned fund balance | 882,103 | | |
| Total unrestricted fund balance | 2,606,179 | | |
| Less: | | | |
| Appropriated fund balance | 1,680,587 | | |
| Encumbrances included in committed and assigned fund balance | 43,489 | | |
| Total adjustments | 1,724,076 | | |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law | | $ | 882,103 |
| Actual percentage | | | 5.29% |

**ORISKANY CENTRAL SCHOOL DISTRICT**
**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**
**For the Year Ended June 30, 2022**

| | | | Expenditures | | | | Methods of Financing | | | | Fund |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT TITLE** | Original Authorization | Revised Authorization | Prior Years | Current Year | Total | Unexpended Balance | Proceeds of Obligations | Federal and State Aid | Local Sources | Total | Balance June 30, 2022 |
| Capital Project #1 - District Wide Smart Schools | $ 659,180 | $ 659,180 | $ 648,759 | $ | $ 648,759 | $ 10,421 | $ | $ 563,873 | $ 100,000 | $ 663,873 | $ 15,114 |
| Elementary Phase #3 | 2,028,805 | 2,461,600 | 2,327,682 | | 2,327,682 | 133,918 | 1,994,091 | | 333,591 | 2,327,682 | |
| Capital Outlay Project-Cameras Jr/Sr High School | 100,000 | 100,000 | 91,671 | | 91,671 | 8,329 | | | 100,000 | 100,000 | 8,329 |
| Capital Project #2 - District Wide Renovations | 5,283,015 | 5,283,015 | 5,132,901 | | 5,132,901 | 150,114 | 3,817,125 | 82,289 | 1,606,544 | 5,505,958 | 373,057 |
| New Capital Project | 2,500,000 | 2,500,000 | | 914 | 914 | 2,499,086 | | | 2,000,000 | 2,000,000 | 1,999,086 |
| **Totals** | $ 10,571,000 | $ 11,003,795 | $ 8,201,013 | $ 914 | $ 8,201,927 | $ 2,801,868 | $ 5,811,216 | $ 646,162 | $ 4,140,135 | $ 10,597,513 | $ 2,395,586 |

See Independent Auditor's Report.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**NET INVESTMENT IN CAPITAL ASSETS**
**For the Year Ended June 30, 2022**

| | |
|---|---|
| Capital Assets, Net | $ 14,832,783 |
| Add: | |
| Capital Restricted Cash | 2,235,387 |
| Right to Use Leased Assets, Net of Amortization | 58,248 |
| Total Additions | 2,293,635 |
| Deduct: | |
| Serial Bonds Payable | 5,565,000 |
| Lease Liability | 58,052 |
| Premium on Bonds Payable | 469,940 |
| Total Deductions | 6,092,992 |
| Net Investment in Capital Assets | $ 11,033,426 |

See Independent Auditor's Report.

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

## 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*

Board of Education
Oriskany Central School District

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oriskany Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Oriskany Central School District's basic financial statements, and have issued our report thereon dated October 18, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oriskany 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 Oriskany Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Oriskany 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 school district'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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Oriskany 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 school district's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the school district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

October 18, 2022

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education
Oriskany Central School District, New York

### Report on Compliance for Each Major Federal Program

***Opinion on Each Major Federal Program***

We have audited Oriskany 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 Oriskany Central School District's major federal programs for the year ended June 30, 2022. Oriskany 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, Oriskany 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 Oriskany 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 Oriskany 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 Oriskany 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 Oriskany 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 Oriskany 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 Oriskany 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 Oriskany 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 Oriskany 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 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.

D'Arcangelo + Co., LLP

October 18, 2022

Rome, New York

**ORISKANY CENTRAL SCHOOL DISTRICT**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**For the Year Ended June 30, 2022**

| Federal Grantor/Pass-through Grantor/Program Title | Federal AL Number | Agency or Pass-through Number | Current Year Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|
| United States Department of Education | | | | |
| Passed Through New York State, Department of Education: | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 0021-22-2075 | $ 123,986 | $ |
| Special Education Cluster | | | | |
| Special Education Grants to States | 84.027 | 0032-22-0635 | 146,958 | |
| Special Education Preschool Grants | 84.173 | 0033-22-0635 | 4,773 | |
| COVID-19-Special Education Grants to States | 84.027X | 5532-22-0635 | 30,190 | |
| COVID-19-Special Education Preschool Grants | 84.173X | 5533-22-0635 | 3,362 | |
| Total Special Education Cluster | | | 185,283 | |
| Student Support and Academic Enrichment Program | 84.424 | 0204-22-2075 | 9,991 | |
| Supporting Effective Instruction State Grants | 84.367 | 0147-22-2075 | 18,744 | |
| Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act | | | | |
| American Rescue Plan - Elementary and Secondary School Emergency Relief | 84.425U | 5880-21-2075 | 432,878 | |
| American Rescue Plan - Elementary and Secondary School Emergency Relief | 84.425U | 5870-22-9221 | 115,328 | |
| Elementary and Secondary School Emergency Relief Fund | 84.425D | 5891-21-2075 | 230,377 | |
| Governor's Emergency Education Relief Fund | 84.425C | 5896-21-2075 | 14,596 | |
| Total | | | 793,179 | |
| Total Department of Education | | | 1,131,183 | |
| Total Federal Awards Expended | | | $ 1,131,183 | $ |

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**For the Year Ended June 30, 2022**

## 1. SIGNIFICANT ACCOUNTING POLICIES

***Organization***

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Oriskany Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

***Basis of Accounting***

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

***Cluster Programs***

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Education
Special Education Cluster

| | |
|---|---|
| AL #84.027 | Special Education - Grants to States (IDEA, Part B) |
| AL #84.173 | Special Education - Preschool Grants (IDEA Preschool) |
| AL #84.027X | COVID-19-Special Education - Grants to States (IDEA, Part B) |
| AL #84.173X | COVID-19-Special Education - Preschool Grants (IDEA Preschool) |

***Indirect Cost Rate***

The School District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**ORISKANY CENTRAL SCHOOL DISTRICT**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL COMPLIANCE REQUIREMENTS**
**For the Year Ended June 30, 2022**

***Summary of Auditor's Results***

| | | |
|---|---|---|
| *(d)(1)(i)* | Type of Financial Statement Opinion | Unmodified |
| *(d)(1)(ii)* | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| *(d)(1)(ii)* | Were there any other significant deficiencies reported at the financial statement level (GAGAS)? | No |
| *(d)(1)(iii)* | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| *(d)(1)(iv)* | Were there any material internal control weakness conditions reported for major Federal programs? | No |
| *(d)(1)(iv)* | Were there any other significant deficiencies reported for major Federal programs? | No |
| *(d)(1)(v)* | Type of Major Programs' Compliance Opinion | Unmodified |
| *(d)(1)(vi)* | Are there any reportable findings under 2 CFR Section 200.516(a)? | No |
| *(d)(1)(vii)* | Major Programs (list): | <u>U.S. Department of Education</u><br>Education Stabilization Fund<br>AL # 84.425D Elementary and Secondary School Emergency Relief (ESSER)<br>AL # 84.425C Governor's Emergency Education Relief Fund (GEER)<br>AL # 84.425U American Rescue Plan – Elementary and Secondary School Emergency Relief |
| *(d)(1)(viii)* | Dollar Threshold: Type A\B Programs | Type A: > $ 750,000<br>Type B: all others |
| *(d)(1)(ix)* | Low Risk Auditee? | No |

***Findings – Financial Statement Audit***

No findings noted in the current year.

***Findings and Questioned Costs – Major Federal Award Program Audit***

No findings noted in the current year.

## ORISKANY CENTRAL SCHOOL DISTRICT
## STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS-FEDERAL COMPLIANCE REQUIREMENTS
**For the Year Ended June 30, 2022**

***Findings – Financial Statement Audit***

None.

***Findings and Questioned Costs – Major Federal Award Programs***

None.

**FORM OF OPINION OF BOND COUNSEL - SERIES A NOTES**

June 29, 2023

Oriskany Central School District
1313 Utica Street
Oriskany, New York 13424

Re: Oriskany Central School District, Oneida County, New York
$2,400,000 Bond Anticipation Notes, 2023 Series A CUSIP No.:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $2,400,000 Bond Anticipation Notes, 2023 Series A (the “Notes”) of Oriskany Central School District, County of Oneida, State of New York (the "District"). The Notes are dated June 29, 2023 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before June 29, 2023 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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

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

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

Very truly yours,

TRESPASZ & MARQUARDT, LLP

**FORM OF OPINION OF BOND COUNSEL - SERIES B NOTES**

July 6, 2023

Oriskany Central School District
1313 Utica Street
Oriskany, New York 13424

Re: Oriskany Central School District, Oneida County, New York
$8,500,000 Bond Anticipation Notes, 2023 Series B CUSIP No.:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $8,500,000 Bond Anticipation Notes, 2023 Series B (the "Notes") of Oriskany Central School District, County of Oneida, State of New York (the "District"). The Notes are dated July 6, 2023 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before July 6, 2023 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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

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

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

Very truly yours,

TRESPASZ & MARQUARDT, LLP