PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

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

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

$1,750,000

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

FRANKLIN AND ST. LAWRENCE COUNTIES, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE NO. 117457

$1,750,000 Bond Anticipation Notes, 2023

(the "Notes")

Dated: September 28, 2023 **Due: July 19, 2024**

The Notes are general obligations of the Brushton-Moira Central School District, Franklin and St. Lawrence Counties, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES - Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

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

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about September 28, 2023.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on September 19, 2023 by no later than 10:45 A.M., Prevailing Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

September 14, 2023

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

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT
FRANKLIN AND ST. LAWRENCE COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

MARICE BRIGHT
President

JAMES DURANT
Vice President

NATHANAEL BEACHY
CHAD DUFRANE
TRACY EDWARDS
DENNIS EGAN
DAWNA LANGDON
GEORGE MARTIN
BRIAN MCDONALD

* * * * * * *

ADMINISTRATION

TODD M. LAPAGE
Superintendent of Schools

ANGELA DEBEER
Treasurer

CHRISTINA DUFRANE
School District Clerk

FERRARA FIORENZA PC
School District Attorney

ORRICK, HERRINGTON & SUTCLIFFE, LLP
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by Brushton-Moira 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 Brushton-Moira Central School District.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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Syracuse, New York 13202
(315) 752-0051
www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT
FRANKLIN AND ST. LAWRENCE COUNTIES, NEW YORK

Relating To

$1,750,000 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page, has been prepared by the Brushton-Moira Central School District, Franklin and St. Lawrence Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $1,750,000 principal amount of Bond Anticipation Notes, 2023 (the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal 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 District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated September 28, 2023 and will mature July 19, 2024. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the District dated October 11, 2022 authorizing the issuance of up to $2,250,000 serial bonds for the construction of energy efficiency improvements to and reconstruction of various District buildings and facilities.

The proceeds of the Notes will provide $1,750,000 in new money for this purpose.

Nature of the Obligation

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

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

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

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, 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.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the 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 only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes in Certain Circumstances

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 discontinued, the following provisions will apply:

The Notes will be issued in bearer form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company to be named by the District as fiscal agent for the Notes.

THE SCHOOL DISTRICT

General Information

The District encompasses approximately 110 square miles and includes various portions of the Towns of Moira, Bangor, Brandon, Dickinson, Brasher and Lawrence. The character of the District is primarily agricultural, with the majority of homes being one-family. Commercial activity in the District is centered in and around the Town of Moira. Industrial development within the District is in the Town of Moira.

Transportation is provided to and from the District by New York State Route 11 and Interstate 87. Major airline service is provided at the Montreal, Quebec Airport, which is located about 60 miles to the northeast of the District. The airport at Plattsburgh, New York is presently being developed as a commercial airline airport.

Electricity is supplied throughout the District by National Grid. The water supply of the District is supplied from well water. In the Fall of 2019, the district began operation of a new on-site sanitary sewage collection and treatment facility. The District recently converted to natural gas which is supplied by Liberty Utilities. Police protection is provided by the New York State Police. Fire protection and ambulance service is provided by local volunteer units.

Source: District officials.

Population

The current estimated population of the District is 4,585. (Source: 2017-2021 American Community Survey 5-Year Estimates).

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2017-2021	2006-2010	2016-2020	2017-2021
Towns of:						
Moira	$ 21,475	$ 23,861	$ 22,900	$ 41,655	$ 63,029	$ 66,514
Bangor	20,972	27,900	31,160	50,938	63,750	72,083
Brandon	17,380	23,959	25,859	47,422	65,625	78,529
Dickinson	15,874	30,261	30,288	40,104	66,111	63,906
Brasher	19,243	25,671	27,305	50,463	54,340	62,813
Lawrence	18,098	28,463	31,858	45,962	63,125	68,813
County of:						
Franklin	19,807	26,886	27,826	50,816	65,693	67,911
St. Lawrence	20,143	26,676	27,457	50,384	66,843	69,328
State of:						
New York	30,948	40,898	43,208	67,405	87,270	92,731

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

Source: 2006-2010, 2016-2020, and 2017-2021 American Community Survey 5-Year data.

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Largest Employers

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

Name	Type	Employees
Brushton-Moira Central School District	Education	174
ABCD Hardware and Sanitation	Hardware Store and Sanitation Services	25
Highland Greens	Golf Course	15
Dollar General	Convenience Store	8
Stewarts	Convenience Store	8
Scotty's Restaurant	Restaurant	8
Martin's Country Store & Farm Ctr.	Farm Supple/Grocery Store	8
Martin's on Main	Farm Supple/Grocery Store	8
Mad Joe's	Convenience Store	5
The Store	Convenience Store	5

In addition to the largest employers located within the District, there are several large employers (Alcoa West/East- 350, New York Power Authority–270, University of Vermont-Alice Hyde Medical Center-750 and Citizen Advocates-500) in close proximity to the District where many District residents are employed. Many others are employed at the three state prisons located within 10 miles of the District.

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are Franklin and St. Lawrence Counties. The information set forth below with respect to the Counties and State of New York is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the District is necessarily representative of the Counties or the State, or vice versa.

Annual Averages

	2016	2017	2018	2019	2020	2021	2022
Franklin County	5.8%	6.0%	5.1%	4.7%	7.9%	4.8%	3.6%
St. Lawrence County	6.7	6.6	5.6	5.3	7.9	5.2	4.1
New York State	4.9	4.6	4.1	3.9	9.8	7.0	4.3

2023 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Franklin County	4.5%	4.2%	3.8%	3.0%	3.2%	3.2%	3.3%	N/A	N/A
St. Lawrence County	5.3	4.5	4.0	3.3	3.6	4.0	4.1	N/A	N/A
New York State	4.6	4.5	4.0	3.7	3.8	4.2	4.1	N/A	N/A

Note: Unemployment rates for August and September of 2023 are unavailable as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures

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

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

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

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 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). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2022-23 fiscal year was approved by voters on May 17, 2022. The District's adopted budget for the 2022-23 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for 3.45% tax levy increase, which was equal to the District tax levy limit.

The District's 2023-2024 budget was approved by voters of the District on May 16, 2023 by a vote of 145 to 28. The District's adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a tax levy increase of 2.67%, which was equal to the District's allowable Tax Cap of 2.67%

Investment Policy

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

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

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

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2023-2024 fiscal year, approximately 80.62% 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.

Federal Aid Received by the State

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

The State receives a substantial amount of federal aid for 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 2023-24 preliminary building aid ratios, the District expects to receive State building aid of approximately 98.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

School district fiscal year (2017-2018): The State 2017-2018 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 2017-2018 and 2018-2019 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 included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increased 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 anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these federal funds, State aid in the school district fiscal year 2020-2021 was expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

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

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

School district fiscal year (2023-2024): Although the State's 2023-24 fiscal year commenced on April 1, 2023, the State Budget for fiscal 2023-24 has not been enacted as of the date of this Official Statement. The State has funded operations since April 1 via short-term "extender" legislation. On April 27, 2023, the Governor announced a conceptual budget agreement (the "Conceptual Budget Agreement") for the 2023-24 State budget. With the Conceptual Budget Agreement in place, the Governor expects that both the New York State Assembly and New York State Senate will approve a State budget reflective of the Conceptual Budget Agreement. The New York State Assembly and New York State Senate began voting on budget bills on May 1, 2023. The Conceptual Budget Agreement provides for a total of $34.5 billion in State funding to school districts for the 2023-24 school year, the largest investment for schools in State history. The Conceptual Budget Agreement represents a $3 billion or 10% increase in State funding for education. Although the Governor expects that the 2023-24 enacted State Budget will reflect the education funding levels outlined above, no assurance can be given that such funding levels will be included in the 2023-24 State budget when enacted.

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. See the following paragraph regarding the phase-in.

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 17,813,983	$ 14,071,868	78.99%
2018-2019	18,472,465	14,785,047	80.04
2019-2020	18,072,810	14,339,060	79.34
2020-2021	20,058,134	15,618,817	77.87
2021-2022	19,353,078	15,436,309	79.76
2022-2023 (Budgeted)	19,842,608	15,963,308	80.45
2022-2023 (Unaudited)	20,186,252	15,935,986	78.94
2023-2024 (Budgeted)	21,025,033	16,950,997	80.62

Source: Audited Financial Statements for the 2017-2018 through 2021-2022 fiscal years, unaudited results for the 2022-2023 fiscal year, and adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. This table is not audited. The unaudited projections for the 2022-2023 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Brushton-Moira Central School	K-12	978	1959, 2001, 2011, 2020

Source: District Records.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-19	798	2023-24	800
2019-20	812	2024-25	800
2020-21	775	2025-26	800
2021-22	769	2026-27	815
2022-23	792	2027-28	800

Note: Enrollment information for the fiscal year ended June 30, 2024 is unavailable as of the date of this Official Statement.

Source: District officials.

Employees

The District employs a total of 174 full-time and part-time employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
86	Brushton-Moira Teachers' Association	June 30, 2024
79	Non-Instructional Association	June 30, 2025
4	SAANYS/Brushton-Moira Administrators' Association	June 30, 2026
5	Management Confidential	June 30, 2026

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, 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 contributions for the below fiscal years are as follows:

Year	ERS	TRS
2018-2019	$ 220,325	$ 644,708
2019-2020	242,264	588,498
2020-2021	262,888	623,049
2021-2022	305,848	657,131
2022-2023	274,204	726,201
2023-2024 (Budgeted)	295,021	654,805

Source: District officials.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2019-20 to 2023-24) is shown below:

Year	ERS	TRS
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 (1)

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

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

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

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

The 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 District established a TRS reserve fund in June 2019.

Other Post-Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45 The implementation of this statement requires 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.

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

Balance beginning at June 30:	2020	2021
Changes for the year:	$ 57,223,711	$ 70,480,149
Service cost	2,461,460	3,242,537
Interest	2,064,615	1,613,092
Differences between expected and actual experience	(1,861,667)	-
Changes in assumptions or other inputs	12,179,772	915,726
Changes of benefit terms	(195,397)	(1,008,804)
Benefit payments	(1,392,345)	(1,464,118)
Net Changes	$ 13,256,438	$ 3,298,433
Balance ending at June 30:	2021	2022
	$ 70,480,149	$ 73,778,582

Note: The above table is not audited. For additional information see “APPENDIX – E” attached hereto.

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

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

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

Other Information

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

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

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

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

Except 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.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2022 and is attached hereto as “APPENDIX – E”. Certain summary financial information of the District can be found attached as Appendices to the Official Statement.

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

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

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

Anticipated Unaudited Results of Operations for Fiscal Year Ending June 30, 2023.

Based on preliminary estimates, the District ended the fiscal year ending June 30, 2023 with a cumulative unappropriated unreserved fund balance of $2,371,985.

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

Revenues:	$ 20,186,252
Expenditures:	18,885,400
Excess (Deficit) Revenues Over Expenditures:	$ 1,300,852
Beginning Fund Balance June 30, 2022:	$ 5,614,472
Total Fund Balance (including reserves):	$ 6,915,324

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past three fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	6.7

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

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 District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The District received notice in March of 2022 of the Office of the State Comptroller's intent to initiate an audit of the District. The auditor arrived on-site at the District in August 2023; however, the scope and subject of the audit is not yet known. There are otherwise no State Comptroller's audits of the District released within the past five years, nor are there any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Moira	$ 101,127,340	$ 103,065,351	$ 104,879,576	$ 105,740,184	$ 106,528,815
Bangor	42,107,357	42,268,790	42,723,771	43,123,506	43,362,919
Brandon	18,795,569	18,711,649	18,938,533	18,902,535	18,838,452
Dickinson	14,371,226	14,319,944	14,500,047	14,691,515	14,791,027
Brasher	583,323	583,188	844,500	828,423	831,836
Lawrence	47,516	47,572	47,862	47,508	47,621
Total Assessed Values	$ 177,032,331	$ 178,996,494	$ 181,934,289	$ 183,333,671	$ 184,400,670
State Equalization Rates					
Towns of:					
Moira	100.00%	95.00%	95.50%	85.00%	75.00%
Bangor	93.86%	79.00%	78.00%	72.00%	67.00%
Brandon	92.00%	82.00%	82.50%	77.00%	62.00%
Dickinson	100.00%	100.00%	93.58%	91.00%	87.00%
Brasher	80.50%	78.00%	100.00%	95.50%	85.00%
Lawrence	100.00%	99.00%	100.00%	88.00%	83.00%
Total Taxable Full Valuation	$ 181,562,549	$ 199,929,398	$ 203,938,585	$ 225,908,689	$ 255,180,980

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Moira	$ 17.33	$ 16.98	$ 16.56	$ 17.37	$ 17.89
Bangor	18.46	20.41	20.27	20.51	20.03
Brandon	18.83	19.67	19.16	19.17	21.64
Dickinson	17.33	16.13	16.90	16.22	15.42
Brasher	21.52	20.67	15.81	15.46	15.79
Lawrence	17.33	16.29	15.81	16.78	16.17

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. Tax sales are held annually by said County.

Tax Collection Record

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy	$ 3,145,731	$ 3,224,374	$ 3,224,374	$ 3,335,473	$ 3,424,407
Amount Uncollected (1)	480,477	452,639	460,827	461,632	N/A
% Uncollected	15.27%	14.04%	14.29%	13.84%	N/A

(1) See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Property Tax Levy and Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2017-2018	$ 17,813,983	$ 2,995,179	16.81%
2018-2019	18,472,465	3,074,409	16.64
2019-2020	18,072,810	3,219,483	17.81
2020-2021	20,058,134	3,320,363	16.55
2021-2022	19,353,078	3,340,320	17.26
2022-2023 (Budgeted)	19,842,608	3,461,749	17.45
2022-2023 (Unaudited)	20,186,252	3,467,114	17.18
2023-2024 (Budgeted)	21,025,033	3,566,049	16.96

Source: Audited Financial Statements for the 2017-2018 through 2021-2022 fiscal years, unaudited results for the 2022-2023 fiscal year, and adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. This table is not audited. The unaudited projections for the 2022-2023 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Larger Taxpayers 2022-23 Tax Roll

Name	Type	Estimated Full Valuation
National Grid	Utility	$ 8,145,704
State of New York	State Owned Land	1,264,033
Zimmerman, Elon	Farm	1,166,667
Reiff, Elvin	Farm	1,101,945
Countryside Community	Mobile Home Parks	920,823
Upstone Materials	Mine/Quarry	893,639
Egan, Dennis J.	Dairy Farm	733,332
Moore, David	Farm	665,833
Clark Legacy LLC	Commercial	638,787
Highland Greens Golf Course	Golf Course	620,639
DG Strategic II, LLC	Commercial	554,941

The ten larger taxpayers listed above have a total full valuation of $16,706,343 which represents 7.40% of the tax base of the District for the 2022-2023 fiscal year. Larger taxpayer information is not yet available for the 2023-2024 fiscal year.

As of the date of this Official Statement, the District has a pending tax certioraris filed by SLIC Network Solutions (not listed above) that would reduce its assessment with a potential impact of $15,000 annually. The District has established a reserve fund for this.

Source: District Tax Rolls.

Additional Tax Information

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

Senior citizens' and Veterans' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-45% and Commercial-55%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the District is approximately $2,500 including State, County, Town, School District and Fire District Taxes.

STAR – School Tax Exemption

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

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $92,000 or less in 2022-2023 and $93,200 or less in 2023-2024, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $74,900 for the 2022-23 school year and $81,400 for the 2023-2024 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Moira	$ 69,190	$ 25,500	4/6/2023
Bangor	58,610	21,600	4/6/2023
Brandon	62,680	23,100	4/6/2023
Dickinson	74,070	27,300	4/6/2023
Brasher	77,740	28,650	4/6/2023
Lawrence	71,630	26,700	4/6/2023

$633,937 of the District's $3,335,473 school tax levy for 2022-2023 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2023.

Approximately $650,637 of the District's $3,424,407 school tax levy for 2023-2024 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2024.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30th:	2019	2020	2021	2022	2023
Bonds	$ 5,999,492	$ 5,375,234	$ 16,165,169	$ 15,045,000	$ 13,834,000
Bond Anticipation Notes	9,446,000	14,671,000	0	0	0
Total Debt Outstanding	$ 15,445,492	$ 20,046,234	$ 16,165,169	$ 15,045,000	$ 13,834,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of September 14, 2023:

Type of Indebtedness	Maturity		Amount
Bonds	2023-2035		$ 13,834,000
Bond Anticipation Notes	-		0
		Total Indebtedness	$ 13,834,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared as of September 14, 2023:

Full Valuation of Taxable Real Property			$ 255,180,980
Debt Limit – 10% thereof			25,518,098
Inclusions:			
Bonds	$ 13,834,000		
Bond Anticipation Notes	0		
Principal of this Issue	1,750,000		
Total Inclusions		$ 15,584,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 15,584,000
Net Debt-Contracting Margin			$ 9,934,098
The percent of debt contracting power exhausted is			61.07%

[1] Based on preliminary 2023-2024 building aid estimates, the District anticipates State Building aid of 98.0% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Capital Project Plans

The District usually approves a $100,000 capital outlay project during the annual budget vote. These projects are then funded in whole up to the district approved Building Aid ratio the following year. For the 2022-2023 school year, the capital outlay project scope included door and score board replacement.

The District usually authorizes approximately $200,000-$330,000 for the purchase of buses during the annual budget vote, and issues statutory installment bonds annually for this purpose. On May 16, 2023, District voters approved a proposition in the amount of $326,000 for the purchase of buses.

District voters have approved an Energy Performance Contract at a maximum estimated cost of $2,250,000, which includes the construction of energy efficiency improvements to and the reconstruction of various District buildings and facilities. The issuance of the Notes will represent the first borrowing against this authorization.

There are no other capital projects of the District that are currently authorized and unissued, nor are any contemplated.

Cash Flow Borrowings

The District has not issued revenue or tax anticipation notes in the past five fiscal years, and does not anticipate the need to issue either revenue or tax anticipation notes, nor budget or deficiency notes, in the foreseeable future.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Franklin	12/31/2021	$ 1,707,127	$ 1,289,020	$ 418,107	4.97%	$ 20,780
St. Lawrence	12/31/2021	29,495,000	-	29,495,000	0.01%	2,950
Town of:						
Moira	12/31/2021	256,983	122,583	134,400	100.00%	134,400
Bangor	12/31/2021	588,389	588,389	-	52.38%	-
Brandon	12/31/2021	-	-	-	68.22%	-
Dickinson	12/31/2021	109,113	-	109,113	28.66%	31,272
Brasher	12/31/2021	1,311,250	1,181,250	130,000	0.65%	845
Lawrence	12/31/2021	5,000	-	5,000	0.07%	4
Village of:						
Brushton	5/31/2022	-	-	-	100.00%	-
					Total:	$ 190,250

(1) Bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.

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

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021 and 2022.

Debt Ratios

The following table sets forth certain ratios relating to the District's Net Indebtedness as of September 14, 2023:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 15,584,000	$ 3,398.91	6.11%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	15,693,250	3,422.74	6.15

(a) The 2021 estimated population of the District is 4,585. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for 2023-24 is $255,180,980. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is $109,250. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

TAX MATTERS

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

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

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

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

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

LEGAL MATTERS

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

LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into a Continuing Disclosure Undertaking, a description of which is attached hereto as "APPENDIX – C – MATERIAL EVENT NOTICES".

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

The Notes are not rated. Subject to the approval of the District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, such as a rating action that may require the filing of a material event notification to EMMA, and/or the provision of a supplement to the final Official Statement.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A" with a stable outlook to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating, 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) 438-2118.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Angela DeBeer, Treasurer, Brushton-Moira Central School District, 758 County Route 7, Brushton, New York 12916, Phone: (518) 529-7324, Fax: (518) 529-6062, Email: adebeer@bmcsd.org.

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

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Dated: September 14, 2023

MARICE BRIGHT
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	$ 2,745,199	$ 1,979,222	$ 2,103,595	$ 2,015,924	$ 3,752,402
Restricted Cash	615,075	639,469	690,638	1,030,205	2,128,904
State and Federal Aid Receivable	214,819	221,634	660,814	955,628	434,991
Due from Other Governments	755,306	1,586,893	1,297,821	1,827,936	1,361,933
Due from Other Funds	-	116,040	268,174	661,394	43,481
Prepaid Expenses	219,889	-	-	-	-
Other Receivables	28,662	40,049	22,420	40,032	7,522
TOTAL ASSETS	$ 4,578,950	$ 4,583,307	$ 5,043,462	$ 6,531,119	$ 7,729,233
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 203,284	$ 107,520	$ 48,328	$ 20,543	$ 351,216
Accrued Liabilities	248,294	372,698	407,617	561,565	422,776
Bond Interest Payable	-	-	-	-	-
Due to Other Funds	219,970	890,622	324,729	-	529,446
Due to Other Governments	-	2,310	282,526	328,866	-
Due to Teachers' Retirement System	603,582	636,327	558,842	599,216	655,821
Due to Employees' Retirement System	66,912	73,386	92,184	79,945	131,067
Unearned/Deferred Revenues	15,725	20,871	416,841	24,308	24,432
TOTAL LIABILITIES	1,357,767	2,103,734	2,131,067	1,614,443	2,114,758
FUND EQUITY					
Restricted	$ 1,626,964	$ 639,469	$ 690,638	$ 1,030,205	$ 2,128,904
Unrestricted:					
Assigned	593,552	656,467	807,556	1,270,824	1,350,331
Unassigned	1,000,667	1,183,637	1,414,201	2,615,647	2,135,240
TOTAL FUND EQUITY	3,221,183	2,479,573	2,912,395	4,916,676	5,614,475
TOTAL LIABILITIES and FUND EQUITY	$ 4,578,950	$ 4,583,307	$ 5,043,462	$ 6,531,119	$ 7,729,233

Source: Audited Financial Statements of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 2,083,437	$ 2,167,500	$ 2,257,201	$ 2,388,152	$ 2,515,131
Other Tax Items	837,570	827,679	817,208	831,331	805,232
Charges for Services	358,186	451,866	199,118	160,680	268,831
Use of Money & Property	37,456	43,811	60,518	43,111	37,996
Sale of Property and Compensation for Loss	230	329	1,452	175	31
Miscellaneous	109,888	68,237	102,531	182,872	120,542
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	13,768,916	14,071,868	14,785,047	14,339,060	15,618,817
Revenues from Federal Sources	241,331	182,693	249,390	127,429	691,554
Total Revenues	$ 17,437,014	$ 17,813,983	$ 18,472,465	$ 18,072,810	$ 20,058,134
Other Sources:					
Interfund Transfers	-	-	-	-	93,324
Total Revenues and Other Sources	17,437,014	17,813,983	18,472,465	18,072,810	20,151,458
EXPENDITURES					
General Support	$ 1,783,293	$ 1,851,358	$ 2,170,670	$ 2,851,631	$ 2,541,947
Instruction	7,540,891	8,018,458	8,082,255	8,116,774	7,912,243
Pupil Transportation	686,394	675,545	671,977	667,215	708,072
Community Services	-	-	-	-	-
Employee Benefits	4,490,922	4,648,691	4,775,589	4,717,256	4,378,139
Debt Service	2,462,975	2,504,514	2,532,278	1,268,851	2,291,509
Total Expenditures	$ 16,964,475	$ 17,698,566	$ 18,232,769	$ 17,621,727	$ 17,831,910
Other Uses:					
Interfund Transfers	2,102,030	20,113	981,306	18,261	315,267
Total Expenditures and Other Uses	19,066,505	17,718,679	19,214,075	17,639,988	18,147,177
Excess (Deficit) Revenues Over Expenditures	(1,629,491)	95,304	(741,610)	432,822	2,004,281
FUND BALANCE					
Fund Balance - Beginning of Year	5,649,839	3,125,879	3,221,183	2,479,573	2,912,395
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 4,020,348	$ 3,221,183	$ 2,479,573	$ 2,912,395	$ 4,916,676

Source: Audited Financial Statements 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 Final Budget	2022 Actual	2023 Adopted Budget	2024 Adopted Budget
REVENUES					
Real Property Taxes	$ 3,224,374	$ 2,541,300	$ 2,567,520	$ 2,652,399	$ 2,773,769
Other Tax Items	794,788	794,788	772,800	809,350	792,280
Charges for Services	55,000	65,000	148,875	30,000	113,880
Use of Money & Property	36,196	41,196	41,366	14,000	59,000
Sale of Property and Compensation for Loss	250	250	10,358	250	10,250
Miscellaneous	233,529	106,565	215,680	226,718	206,042
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	15,345,919	15,345,919	15,436,309	15,963,308	16,950,977
Revenues from Federal Sources	159,603	159,603	160,170	146,583	118,835
Total Revenues	$ 19,849,659	$ 19,054,621	$ 19,353,078	$ 19,842,608	$ 21,025,033
Other Sources:					
Interfund Transfers	-	-	-	-	-
Approriated Fund Balance	-	-	-	1,317,850	1,207,602
Total Revenues and Other Sources	19,849,659	19,054,621	19,353,078	21,160,458	22,232,635
EXPENDITURES					
General Support	$ 2,631,286	$ 2,536,106	$ 2,437,756	$ 2,783,348	$ 2,981,519
Instruction	8,813,671	9,040,730	8,245,682	9,386,997	9,767,442
Pupil Transportation	835,625	862,771	817,666	933,879	1,047,925
Community Services	-	-	-	-	7,000
Employee Benefits	5,665,466	5,544,073	4,886,620	5,794,696	6,121,881
Debt Service	2,375,442	2,231,325	2,157,228	2,126,538	2,121,868
Total Expenditures	$ 20,321,490	$ 20,215,005	$ 18,544,952	$ 21,025,458	$ 22,047,635
Other Uses:					
Interfund Transfers	-	135,000	110,327	135,000	185,000
Total Expenditures and Other Uses	20,321,490	20,350,005	18,655,279	21,160,458	22,232,635
Excess (Deficit) Revenues Over Expenditures	(471,831)	(1,295,384)	697,799	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	471,831	1,295,384	4,916,676	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 5,614,475	$ -	$ -

Source: Audited Financial Statements and budgets (unaudited) of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	$ 1,519,000	$ 602,867.50	$ 2,121,867.50
2025	1,490,000	549,304.00	2,039,304.00
2026	1,465,000	495,485.00	1,960,485.00
2027	1,385,000	433,955.50	1,818,955.50
2028	945,000	372,925.00	1,317,925.00
2029	925,000	326,950.00	1,251,950.00
2030	975,000	281,700.00	1,256,700.00
2031	1,020,000	234,000.00	1,254,000.00
2032	1,070,000	184,050.00	1,254,050.00
2033	1,005,000	131,650.00	1,136,650.00
2034	1,060,000	81,400.00	1,141,400.00
2035	975,000	39,000.00	1,014,000.00
TOTALS	$ 13,834,000	$ 3,733,287.00	$ 17,567,287.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	$5,000,000 2012 QSCB Bond - Capital Project Principal	Interest [1]	Total	$11,315,000 2021A DASNY Principal	Interest	Total	$1,435,000 2022 Refunding of 2014 Bonds Principal	Interest	Total
2024	$ 375,000	$ 68,640.00	$ 443,640.00	$ 665,000	$ 476,900.00	$ 1,141,900.00	$ 210,000	$ 34,700.00	$ 244,700.00
2025	395,000	52,890.00	447,890.00	685,000	450,300.00	1,135,300.00	195,000	30,500.00	225,500.00
2026	410,000	35,905.00	445,905.00	715,000	422,900.00	1,137,900.00	180,000	26,600.00	206,600.00
2027	425,000	18,275.00	443,275.00	750,000	387,150.00	1,137,150.00	110,000	23,000.00	133,000.00
2028	-	-	-	790,000	349,650.00	1,139,650.00	100,000	20,800.00	120,800.00
2029	-	-	-	825,000	310,150.00	1,135,150.00	100,000	16,800.00	116,800.00
2030	-	-	-	870,000	268,900.00	1,138,900.00	105,000	12,800.00	117,800.00
2031	-	-	-	915,000	225,400.00	1,140,400.00	105,000	8,600.00	113,600.00
2032	-	-	-	960,000	179,650.00	1,139,650.00	110,000	4,400.00	114,400.00
2032	-	-	-	1,005,000	131,650.00	1,136,650.00	-	-	-
2032	-	-	-	1,060,000	81,400.00	1,141,400.00	-	-	-
2032	-	-	-	975,000	39,000.00	1,014,000.00	-	-	-
TOTAL	$ 1,605,000	$ 175,710.00	$ 1,780,710.00	$ 10,215,000	$ 3,323,050.00	$ 13,538,050	$ 1,215,000	$ 178,200.00	$ 1,393,200.00

[1] Interest on these bonds is fully subsidized, however, the District does budget to pay full interest expense each year.

Fiscal Year Ending June 30th	$284,492 2019 Buses Principal	Interest	Total	$250,234 2020 Buses Principal	Interest	Total	$290,169 2020 Buses Principal	Interest	Total
2024	$ 60,000	$ 1,614.00	$ 61,614.00	$ 50,000	$ 1,879.50	$ 51,879.50	$ 60,000	$ 4,482.00	$ 64,482.00
2025	-	-	-	55,000	984.50	55,984.50	60,000	2,988.00	62,988.00
2026	-	-	-	-	-	-	60,000	1,494.00	61,494.00
TOTAL	$ 60,000	$ 1,614.00	$ 61,614.00	$ 105,000	$ 2,864.00	$ 107,864.00	$ 180,000	$ 8,964.00	$ 188,964.00

Fiscal Year Ending June 30th	$225,000 2021 Buses Principal	Interest	Total	$274,000 2022 Buses Principal	Interest	Total
2024	$ 45,000	$ 2,322.00	$ 47,322.00	$ 54,000	$ 12,330.00	$ 66,330.00
2025	45,000	1,741.50	46,741.50	55,000	9,900.00	64,900.00
2026	45,000	1,161.00	46,161.00	55,000	7,425.00	62,425.00
2027	45,000	580.50	45,580.50	55,000	4,950.00	59,950.00
2028	-	-	-	55,000	2,475.00	57,475.00
TOTAL	$ 180,000	$ 5,805.00	$ 185,805.00	$ 274,000	$ 37,080.00	$ 311,080.00

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX – D

FORM OF BOND COUNSEL'S OPINION

September 28, 2023

Brushton-Moira Central School District
Franklin and St. Lawrence Counties
State of New York

Re: Brushton-Moira Central School District, Franklin and St. Lawrence Counties, New York
$1,750,000 Bond Anticipation Notes, 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $1,750,000 Bond Anticipation Notes, 2023 (the "Obligation"), of the Brushton-Moira Central School District, Franklin and St. Lawrence Counties, New York (the "Obligor"), dated September 28, 2023, numbered 1, of the denomination of $1,750,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing July 19, 2024.

We have examined:

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

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

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

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

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

In our opinion:

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

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

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

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT
FRANKLIN AND ST. LAWRENCE COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

FOR THE FISCAL YEAR ENDED

JUNE 30, 2022

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Financial Statements and
Supplementary Information

June 30, 2022

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Table of Contents

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Table of Contents, Continued

INDEPENDENT AUDITOR'S REPORT

Board of Education
Brushton-Moira 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 Brushton-Moira Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Brushton-Moira 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 Brushton-Moira 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 (GAAS). 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 Brushton-Moira Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAS, 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 Brushton-Moira 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Brushton-Moira 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 Brushton-Moira 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.

(Continued)

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5 - 21), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 70), Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual- General Fund (page 71), Schedule of District's Proportionate Share of the Net Pension Asset (Liability) - NYSLRS Pension Plan (page 72), and Schedule of District's Contributions - NYSLRS Pension Plan (page 73) 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Brushton-Moira Central School District's basic financial statements. The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit - General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet - Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 74 - 78) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards (page 84) 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 basic financial statements.

(Continued)

Fust Charles Chambers LLP
CERTIFIED PUBLIC ACCOUNTANTS

Supplementary Information, Continued

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit - General Fund, Schedule of Capital Projects Fund-Project Expenditures and Financing Resources, Combined Balance Sheet-Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 74 - 78), and the Schedule of Expenditures of Federal Awards (page 84) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022 on our consideration of the Brushton-Moira 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 Brushton-Moira 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 Brushton-Moira Central School District's internal control over financial reporting and compliance.

Fust Charles Chambers LLP

Syracuse, New York
October 14, 2022

Fust Charles Chambers LLP

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2022

INTRODUCTION

The following is a discussion and analysis of Brushton-Moira Central School District's financial performance for the fiscal year ended June 30, 2022. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section. Responsibility for completeness and fairness of the information contained rests with the School District.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- The School District employs approximately 200 full and part time professional and support staff. These employees are organized into three collective bargaining units (teaching staff, support staff, and administrators). Contracts for teachers will be expiring on June 30, 2024 and the support staff expiring on June 30, 2025. During the spring of 2022, the administration and management/confidential staff contracts were renewed and will expire on June 30, 2026.
- Enrollment in the district has started to rebound from the lower COVID year enrollment as students return to the classrooms. The 2021-2022 School District enrollment increased from 787 in 2020-2021 to 804. Preliminary estimates for the 2022-2023 indicates that K-12 enrollment remains steady at 801. However, the District has seen an increase in Pre-Kindergarten enrollment for 2022-2023 from 30 to 48 due to the addition of a new grant funded Prekindergarten classroom.
- The District's total net position, as reflected in the district-wide financial statements, increased by $3,319,807 for the year ending June 30, 2022. This was due to an excess of revenues over expenses.
- The District received and recorded $2,729,732 in operating grants to support instructional programs and the food service program.
- The District's expenses for the year, as reflected in the district-wide financial statements, totalled $15,888,131. Of this amount $3,340,320 was offset by real property and other taxes.
- The general fund's total fund balance, as reflected in the fund financial statements, increased by $679,799 from $4,916,676 to $5,614,475.
- Unassigned fund balance of the General Fund at the end of the current year is $2,135,240, or approximately 11.5% of the General Fund expenditures. This total amount is available for spending at the District's discretion and constitutes approximately 38.0% of the General Fund's total fund balance of $5,614,475.

FINANCIAL HIGHLIGHTS, Continued

- The District's 2022 property tax levy of $3,335,473 was a 3.45% increase over the 2021 tax levy and within the District's property tax cap.
- During the 21-22 school year the district's plans were approved for the funding that the district received under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of $1.38 million, and the American Rescue Plan (ARP) of $3.85 million. This funding is for use from March 2020 through September 2024. The funds are to be used to help districts re-open and continue operations during the COVID-19 pandemic. Funding can be used for COVID 19 prevention strategies, learning loss including summer and after-school programing including enrichment activities, addressing the academic, social emotional and mental health needs of students as a result of the COVID-19 pandemic. The district approved plans included the hiring of a Spanish Teacher, Elementary and Math AIS teachers, Teaching Assistants, Community Outreach School Coordinator, Computer Systems Information Teacher as well as after school and summer programming. An outdoor classroom space and eating areas, walking path and playground was also completed during the Summer of 2022 with these grant funds as well as financial support from the Health Heart Network with collaboration from the Town of Moira as well as the School District Wellness Committee.
- In May of 2022, District voters approved a $2.25 million Energy Performance Contract for energy efficiency improvements throughout the school buildings. These improvements are estimated to save the district approximately $83,000 annually. The District is currently working with JW Danforth Company on the final scope of work and final Board approval of the plan in the Fall of 2022 with work to begin in the Spring and Summer of 2023 after NYSED approval.
- As part of the District's long term fund balance plan, the District voters approved the establishment and funding of a capital equipment and transportation reserve fund.

OVERVIEW OF FINANCIAL STATEMENTS

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the school district's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

OVERVIEW OF FINANCIAL STATEMENTS, Continued

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

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

Table A-1	**Major Features of the District-Wide and Fund Financial Statements**		
		Fund Financial Statements	
	District-Wide	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance.	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities' monies
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures and Changes in Fund Balance	5. Statement of Fiduciary Net Position 6. Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow / Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services	Additions and deductions during the year, regardless of when cash is received or paid

OVERVIEW OF FINANCIAL STATEMENTS, Continued

District-Wide Statements

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflow of resources, liabilities, and deferred inflow of resources.

All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the School District's Net Position and how they have changed. Net Position, the difference between the School District's assets and deferred outflows of resources, less liabilities and deferred inflows of resources, are one way to measure the School District's financial health or position.

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

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

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

Fund Financial Statements

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

- Some funds are required to be established by State law and by bond covenants.
- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

OVERVIEW OF FINANCIAL STATEMENTS, Continued

Fund Financial Statements, Continued

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $37,686,902 at the close of the most recent fiscal year. This represents a $3,319,807 improvement in the statement of net position for the year. The overall deficit is largely due to the District's other postemployment benefit ("OPEB") liability. As of June 30, 2022, the OPEB liability was $73,778,582.

The largest portion of the School District's Net Position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The School District used capital assets to provide services; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the School District's Net Position represents resources subject to external restrictions on how they may be used. The remaining unrestricted (deficit) in net position is the result of the OPEB liability.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE, Continued

The following schedule summarizes the School District's Net Position. The complete Statement of Net Position can be found in the School District's basic financial statements.

	2021-2022	2020-2021	Variance
Assets:			
Current and other assets	$ 10,694,951	8,830,661	1,864,290
Capital assets, net	38,636,635	39,285,826	(649,191)
Net pension asset, proportionate share	6,523,494	-	6,523,494
Total assets	$ 55,855,080	48,116,487	7,738,593
Deferred outflows of resources:			
Deferred charge on refunding	10,060	12,106	(2,046)
Other post-employment benefits	12,398,605	13,504,959	(1,106,354)
Pensions	4,546,136	4,641,855	(95,719)
Total deferred outflows of resources	16,954,801	18,158,920	(1,204,119)
Liabilities:			
Current liabilities	5,128,336	3,475,018	1,653,318
Long-term liabilities	87,713,527	88,981,730	(1,268,203)
Total liabilities	92,841,863	92,456,748	385,115
Deferred inflows of resources:			
Other post-employment benefits	9,238,254	12,494,897	(3,256,643)
Pensions	8,416,666	2,329,824	6,086,842
Total deferred inflows of resources	17,654,920	14,824,721	2,830,199
Net position:			
Net investment in capital assets	23,601,695	20,762,763	2,838,932
Restricted for:			
Debt service	1,428,536	1,466,208	(37,672)
Other legal restrictions	2,128,904	1,030,205	1,098,699
Unrestricted (deficit)	(64,846,037)	(64,265,885)	(580,152)
Total net position	$ (37,686,902)	(41,006,709)	3,319,807

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE, Continued

In general, current assets are those assets that are available to satisfy current obligations and current liabilities are those liabilities that will be paid within one year. Current assets consist primarily of cash equivalents of $7,533,393 and state, federal and BOCES aid receivables of $2,843,107.

In addition to assets, the statement of net position reports 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. Included in deferred outflows of resources in the current year is $4,546,136 related to the District's participation in the NYS TRS and ERS pension systems, $12,398,605 related to the District's OPEB Plan, and $10,060 for a deferred charge on bond refunding.

Current liabilities consist principally of accounts payable and accrued expenses of $909,015 and the current portion of long-term debt of $1,643,000. The amount owed to the Employees and Teachers Retirement System is $920,429. Additionally, long-term liabilities include the District's OPEB liability of $73,778,582, and bonds payable, net of unamortized premium of $13,402,000.

In addition to liabilities, the statement of net position or balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Included in deferred inflows of resources in the current year is $8,416,666 related to the District's participation in the NYS TRS and ERS pension systems, and $9,238,254 related to the District's OPEB Plan.

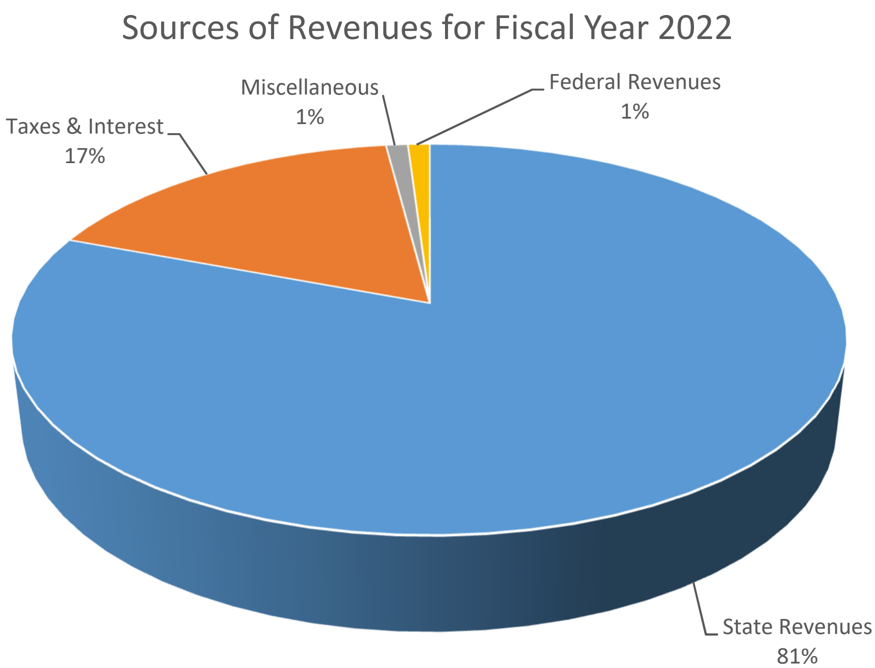
The Statement of Activities shows the cost of program services net of charges for services and grants offsetting those services. General revenues including tax revenue, investment earnings and unrestricted state and federal aid must support the net cost of the School District's programs.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE, Continued

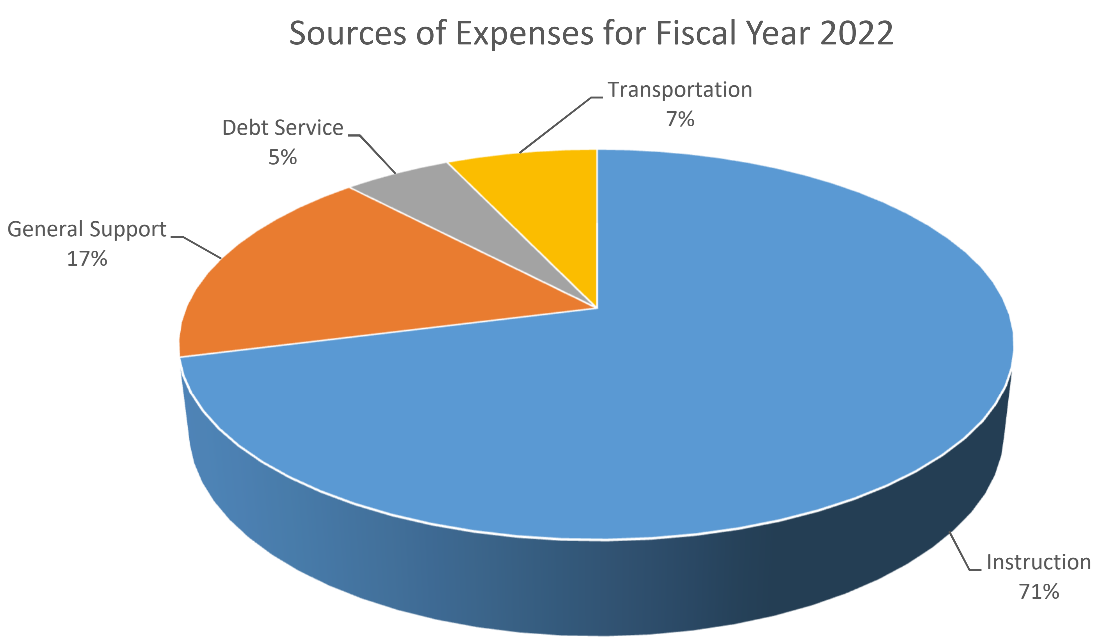
The following schedule summarizes the School District's activities. The complete Statement of Activities can be found in the School District's basic financial statements.

		2021-2022	2020-2021	Variance
General revenues:				
Property and other tax items	$	3,340,320	3,320,363	19,957
Use of money and property		41,366	39,824	1,542
Medicaid reimbursement		73,114	67,845	5,269
State sources		15,436,309	15,227,091	209,218
Federal sources		87,056	623,709	(536,653)
Other		229,773	162,624	67,149
Total general revenues	$	19,207,938	19,441,456	(233,518)
Net expense (revenues):				
General support		2,678,178	3,026,510	(348,332)
Instruction		11,294,831	13,885,455	(2,590,624)
Pupil transportation		1,100,078	1,528,711	(428,633)
Debt service		827,059	430,553	396,506
School food service program		(12,015)	6,699	(18,714)
Total net expenses	$	15,888,131	18,877,928	(2,989,797)
Change in net position	$	3,319,807	563,528	(3,223,315)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE, Continued



The district's total revenues of $19,207,938 were generated primarily from State and Federal Aid (81%) and property taxes (17%).



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE, Continued

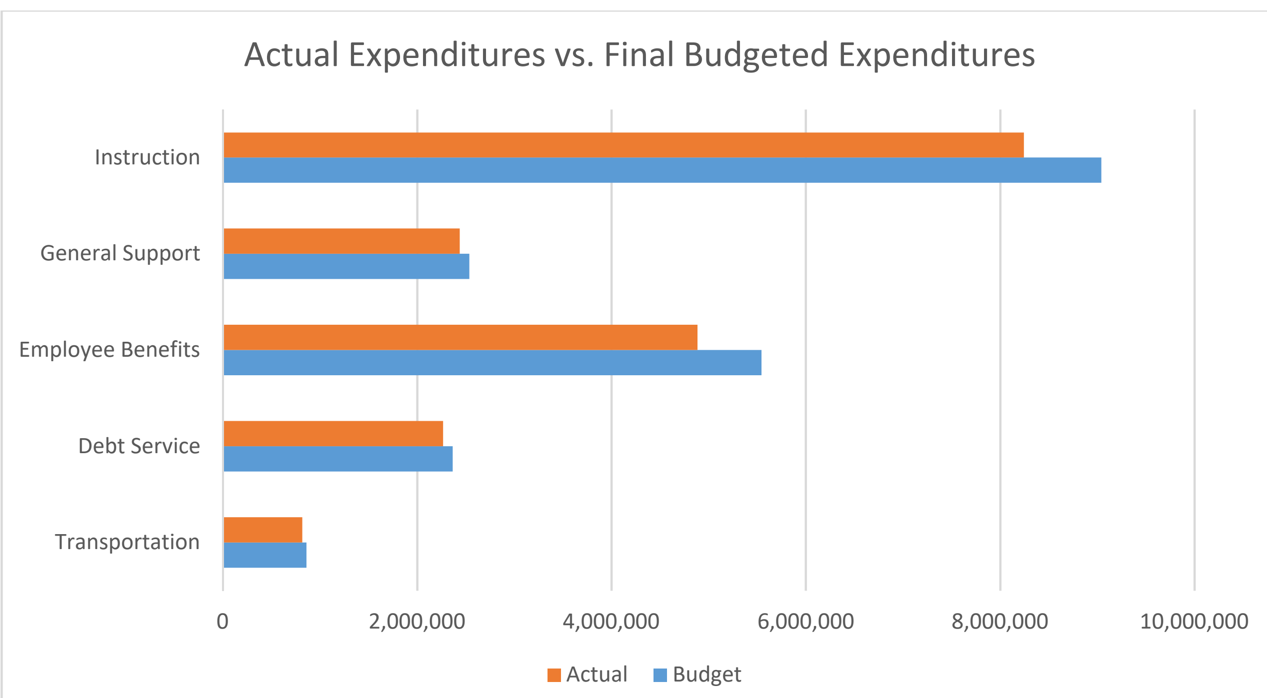
The total cost of all programs and services was $15,888,131. The District's expenses are predominately related to the cost of educating, caring for, and transporting students (78%). The remaining expenses were for administrative costs, maintenance and operations, and debt service.

The fund financial statements also include the activity of the Special Aid funds, which are comprised of a number of state and federal grant programs and the School Food Service fund, also known as the cafeteria fund. The cafeteria fund is designed to be self-supporting, with revenues matching expenditures. This year the cafeteria revenues exceeded expenses by $40,888. This is more fully addressed later in the report.

Finally, the statements also include the related debt service funds and the capital projects funds. These are also discussed later.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. A schedule of the District's original and final budget amounts compared with actual revenues and expenditures is provided in the supplemental section of the audited financial statements. The School District's adjusted budget for the 2021-2022 school year was $20,350,005 and actual expenditures totalled $18,655,279. The graph below shows, in general terms, how the actual expenditures are distributed and compared to final budgeted appropriations:



GENERAL FUND BUDGETARY HIGHLIGHTS, Continued

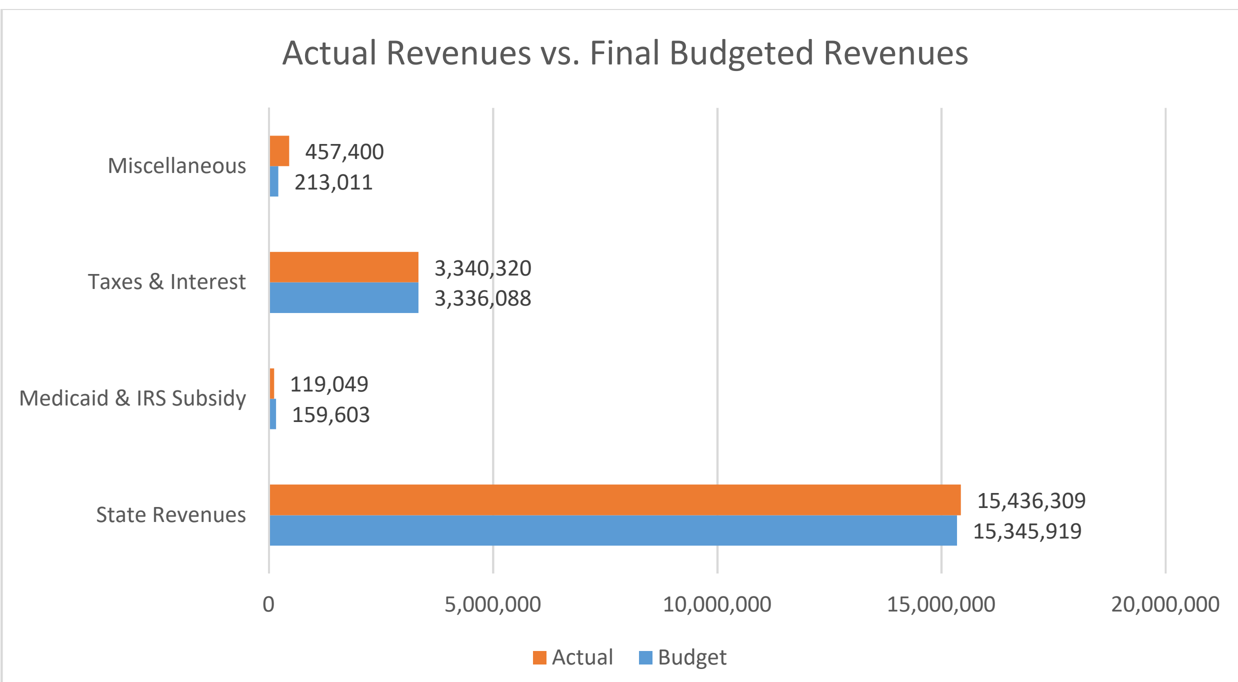
Instruction - As noted above, there was a positive variance in instructional services in 2021-2022 of $794,519. The savings was primarily due to special needs, $247,931, Guidance, $97,547, Regular Ed, $291,095, and Media, $96,781.

General Support - Actual general support expenditures were lower than originally budgeted by $97,250. This savings was realized primarily as a result of operation and maintenance of buildings: fuel/lights/phone/contractual expense/supplies, $71,510.

Employee Benefits - There was a positive variance of $657,453. This savings was mainly due to retirement expenses, $141,365, health insurance, $468,313, and social security, $41,506.

Transportation - The transportation department under-expended its budget by $44,005. This positive variance was due to lower than anticipated diesel/fuel costs, $7,610, bus driver salaries, $14,354, and supplies and building maintenance costs $1,552.

Revenue receipts in the 2021-2022 school year were greater than originally estimated. The fiscal year ended with actual revenues of $19,353,078 for a positive variance of $298,457.



GENERAL FUND BUDGETARY HIGHLIGHTS, Continued

State General Revenues - Actual state aid payments were more than originally anticipated by $90,390.

Medicaid Reimbursement and IRS Debt Subsidy - Actual revenues collected were $40,554 less than budgeted, mainly due to the second IRS subsidy being delayed.

ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

General Fund Financial Position as of June 30, 2022:

Fund balance, July 1, 2021	$	4,916,676
Net change		697,799
Fund balance, June 30, 2022	$	5,614,475

School Food Service (Cafeteria) Fund

The Cafeteria Fund showed a year-end profit of $40,888 versus the previous year profit of $18,851. The fund balance as of June 30, 2022, was $221,684 ($28,873 of this amount represents inventory). The food service program continued to see increased program participation as a result of the continued extension of USDA free meals for all students during the 2021-2022 school year. We anticipate that this will turn the other way with the elimination of free meals for all students as well as increased costs in food, supplies and labor.

GENERAL FUND BUDGETARY HIGHLIGHTS, Continued

Special Aid Fund

Federal and State grants provide funding for specific purposes ranging from servicing the needs of students with disabilities, class size reduction, and reading improvements. The chart below indicates the 2021-2022 amount for each grant:

	Purpose	2021-2022	2020-2021
Title I	Improving Academic Achievement	$ 415,000	420,946
Title IIA	Teacher/Principal Training/Recruitment	44,905	41,174
Title IV	Rural and Low Income Schools	29,090	32,665
Title V	Rural and Low Income School	17,123	14,877
IDEA 611	School Age Special Ed	228,206	224,083
IDEA 619	Pre-School Age Special Ed	9,361	8,163
SSH	Summer School 4408	14,700	-
UPK2	Universal Pre-Kindergarten	95,060	95,060
INPK	Integrated Pre-Kindergarten	245,505	208,551
ARP	American Rescue Plan	389,411	-
SSWD	Handi and LD Summer School	68,563	8,731
CRSA	Coronavirus Response and Relief Supplemental Appropriations	609,819	330,589
		$ 2,166,743	1,384,839

The School District experienced Special Aid Revenues of $2,166,743 in 2021-22. This is $781,904 more than the $1,384,839 received in the 2020-21 school year, primarily due to an increase in Coronavirus Response and Relief Supplemental Appropriations funding of $279,230, American Rescue Plan funding of $389,411 and the return of Summer School Special Ed programing generating $74,532 in additional revenue over the 20-21 school year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The financial statements provide a picture of capital assets over time. These include land, buildings, and equipment and furniture. The following chart depicts the June 30, 2022 values:

Governmental activities	Beginning balance	Additions	Retirements/ reclassifications	Ending balance
Capital assets that are not depreciated:				
Land	$ 38,982	-	-	38,982
Construction in progress	14,765,460	388,670	(15,154,130)	-
Total nondepreciable assets	$ 14,804,442	388,670	(15,154,130)	38,982
Capital assets that are depreciated				
Buildings	40,791,733	99,141	15,154,130	56,045,004
Furniture and equipment	3,267,454	248,443	(869,343)	2,646,554
	44,059,187	347,584	14,284,787	58,691,558
Less - accumulated depreciation:				
Buildings	17,848,706	1,010,086	-	18,858,792
Furniture and equipment	1,729,097	375,359	(869,343)	1,235,113
Total accumulated depreciation	19,577,803	1,385,445	(869,343)	20,093,905
Total depreciable historical cost, net	24,481,384	(1,037,861)	15,154,130	38,597,653
Capital assets, net	$ 39,285,826	(649,191)	-	38,636,635

(Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION, Continued

The following chart depicts the School district's outstanding debt as of June 30, 2022:

Description of issue	Issue date	Final maturity	Interest rate	Outstanding 6/30/2022
Qual. School Construct. Bonds	5/30/2012	6/15/2027	1.3-4.3%	$ 2,320,000
Serial Bonds	6/26/2014	6/15/1932	2.125-3.5%	1,665,000
Bus Purchase	01/19/17	11/15/2021	2.79%	70,000
Bus Purchase	2/7/2018	11/15/2022	2.95%	125,000
Bus Purchase	2/21/2019	11/15/2023	2.69%	175,000
Bus Purchase	2/5/2020	11/15/2024	1.79%	205,000
Bus Purchase	11/17/2020	11/15/2025	2.49%	290,169
Serial Bonds	6/16/2021	6/15/2035	4.0-5.0%	11,315,000
				$ 16,165,169

FACTORS BEARING ON THE DISTRICT'S FUTURE

Subsequent Year's Budget 2022-2023

On May 9, 2022 the proposed 2022-2023 budget in the amount of $21,160,458 was approved by the District's voters. This is a 4.13% increase in the budgeted expenditures over the prior year due mostly from contractual increases, utilities and supply costs as well as increase in health insurance and retirement costs. Under the proposed 22-23 state budget, the District is budgeted to receive an additional $476,000 in State Foundation Aid revenues. The assigned, appropriated fund balance applied to the 22-23 budget is $1,317,850 and represents a $50,981 increase over the 21-22 budget. The 22-23 tax levy increased 3.45% to $3,335,473. The actual tax rate decreased $1.05 from $15.81 to $14.76 due to increase in district property values.

State Aid and Economy

Despite last year's promise to reinstate and fully fund the NYS Foundation Aid formula funding, the condition of the State's financial health could impact that State Aid promise over the next few years as the economy continues to feel the negative impacts of the COVID 19 pandemic with record high inflation which increases district costs. On top of this uncertainty, there is the challenge also of the federal funding that will cease after 2023-2024 school year so schools must strategically plan for the utilization of these funds on non-recurring expenses that benefits their districts and will not result in a funding cliff when the federal funds run out.

FACTORS BEARING ON THE DISTRICT'S FUTURE, Continued

Tax Cap

New York State has placed a limit on local governments' ability to increase property taxes, the tax cap, which is now permanent law. The 2% tax cap limits poor school districts, such as Brushton-Moira Central School, which relies heavily on state aid to offset the expenditure budget. If future state aid does not increase at the same rate as school expenditures, the district has limited options to offset these increased expenses. The property tax credit also expired in 2020 which means that although districts are still required to comply with the 2% tax cap, taxpayers will not receive a relief check from the state.

Minimum Wage Rates & Competitive Job Market

The New York State minimum wage rates continue to increase. The minimum wage rate starting 2023 is projected to increase a $1.00 to $14.20 which is .30 higher than what the previous year increases had been. In order for the District to remain competitive with the local job market, the District will continue to increase substitute rates as well as non-instructional hourly rates. The district is experiencing challenges in the ability to hire and retain certified/qualified employees as well as substitute staff. Increasing wages increase budget expenditures and without additional revenue increases, the educational program and/or the tax levy will be impacted.

Retirement Contributions

Employer contributions for the New York State Teacher Retirement System and the New York State & Local Employees Retirement System are increasing for the 22-23 budget. The employee retirement and the teachers' retirement expenses combined account for 4% of the total 2022-2023 budget. With the current and state of the economy, we anticipate these rates will continue to increase. On a positive note, there is the potential for financial relief/benefit resulting from the NYS creation of Tier V and Tier VI class employees.

Health Insurance

The increase in health insurance premiums have a significant effect on the future financial health of the District. In addition to the drastic and increasing costs of health insurance premiums, there are increased numbers of retirees who are receiving benefits for longer periods of time. To mitigate the rising health insurance costs the district must look at cost savings measures of premiums and plan design. Health insurance benefits account for 19.5% of the total 2022-2023 budget. These rising benefit costs impact the ability of the district to maintain valuable student programs and services.

(Continued)

FACTORS BEARING ON THE DISTRICT'S FUTURE, Continued

Special Education Services

Due to the regulation and the funding surrounding the education of special education students, there is uncertainty in special education costs each year. Students tend to move in and out of the district throughout the year. Since the state does not fully reimburse costs incurred for educating these students, district expenses can fluctuate unpredictably.

Fund Balance

The 4% allowable surplus balance for the Brushton-Moira Central School equals $846,418 for the fiscal year ending June 30, 2022. The actual ending fund balance is $2,135,420 or 10.09% which is over the 4% allowable under Section 1318 of Real Property Tax Law. The 10.09% balance is in line with the Board approved reserve plan of 10%. The district did not have to use the appropriated fund balance for the 2021-2022 year due to budgetary savings as a result of the pandemic in staffing vacancies and benefits from additional grant funding.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to provide the School District's citizens, taxpayers, parents, participants, 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 information, contact Todd LaPage, Superintendent of Schools (Ext# 7002) or Angela DeBeer, School Treasurer (Ext# 7003), Brushton-Moira Central School District, 758 County Route 7, Brushton, New York 12916 at (518) 529-7342.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Statement of Net Position - Governmental Activities

June 30, 2022

Assets		
Cash and cash equivalents:		
Unrestricted	$	4,104,277
Restricted		3,429,116
Investments held by Trustee -		
Restricted		280,214
Receivables:		
State and federal aid		1,314,630
Due from other governments		1,528,477
Other		9,364
Inventories		28,873
Capital assets, net		38,636,635
Net pension asset - proportionate share		6,523,494
Total assets	$	55,855,080
Deferred Outflows of Resources		
Pensions		4,546,136
Other postemployment benefits		12,398,605
Leases		49,798
Deferred charge on bond refunding		10,060
Total deferred outflows of resources	$	17,004,599
Liabilities		
Payables:		
Accounts payable		361,675
Accrued liabilities		547,340
Accrued interest on bonds payable		35,959
Due to other governments		320
Due to Teachers' Retirement System		774,459
Due to Employees' Retirement System		145,970
Extraclassroom activity balances -		
Student deposits		125,955
Unearned credits -		
Unearned revenue, other		1,433,743
Other liabilities		59,915
Long-term labilities:		
Due and payable within one year		
Bonds payable, net of unamortized premium		1,643,000
Lease liability		13,938
Due and payable after one year		
Bonds payable, net of unamortized premium		13,402,000
Lease liability		35,860
Compensated absences payable		532,945
Other postemployment benefits payable		73,778,582
Total liabilities	$	92,891,661
Deferred Inflows of Resources		
Pensions	$	8,416,666
Other postemployment benefits		9,238,254
Total deferred inflows of resources	$	17,654,920
Net Position		
Net investment in capital assets		23,601,695
Restricted for:		
Debt service		1,428,536
Other legal restrictions		2,128,904
Unrestricted (deficit)		(64,846,037)
Total net position	$	(37,686,902)

See accompanying notes to the financial statements.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Statement of Activities and Changes in Net Position - Governmental Activities

For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for services	Program Revenues: Operating grants and contributions	Program Revenues: Capital grants and contributions	Net (expense) revenue and changes in net position
General support	$ 2,719,495	41,317	-	-	(2,678,178)
Instruction	13,562,429	100,855	2,166,743	-	(11,294,831)
Pupil transportation	1,105,277	5,199	-	-	(1,100,078)
Debt service - interest	827,059	-	-	-	(827,059)
School food service program	598,682	47,708	562,989	-	12,015
Total functions and programs	$ 18,812,942	195,079	2,729,732	-	(15,888,131)
General revenues:					
Real property taxes					2,567,520
Other tax items					772,800
Use of money and property					41,366
Sale of property and compensation for loss					10,358
State sources					15,436,309
Medicaid reimbursement					73,114
Federal sources					87,056
Miscellaneous					219,415
Total general revenues					19,207,938
Change in net position					3,319,807
Net position, beginning of year					(41,006,709)
Net position, end of year					$ (37,686,902)

See accompanying notes to the financial statements.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2022

Assets		Major governmental funds: General	Special aid	Debt service	Total non-major governmental funds	Total governmental funds
Cash and equivalents:						
Unrestricted	$	3,752,402	234,243	-	117,632	4,104,277
Restricted		2,128,904	-	816,477	483,735	3,429,116
Investments held by Trustee:						
Restricted		-	-	-	280,214	280,214
Receivables:						
Due from other funds		43,481	529,446	271,218	-	844,145
State and federal aid		434,991	724,032	-	155,607	1,314,630
Due from other governments		1,361,933	166,544	-	-	1,528,477
Other		7,522	-	-	1,842	9,364
Inventories		-	-	-	28,873	28,873
Total assets	$	7,729,233	1,654,265	1,087,695	1,067,903	11,539,096
Liabilities						
Payables:						
Accounts payable		351,216	5,095	-	5,364	361,675
Accrued liabilities		422,776	114,009	-	10,555	547,340
Due to other funds		529,446	-	-	314,699	844,145
Due to other governments		-	-	-	320	320
Due to Teacher's Retirement System		655,821	118,638	-	-	774,459
Due to Employees' Retirement System		131,067	7,212	-	7,691	145,970
Extraclassroom activity balances -						
Student deposits		-	-	-	125,955	125,955
Unearned credits -						
Unearned revenue - other		24,432	1,409,311	-	-	1,433,743
Other liabilities		-	-	-	59,915	59,915
Total liabilities		2,114,758	1,654,265	-	524,499	4,293,522
Deferred inflows of resources:						
Deferred state aid		-	-	-	-	-
Total deferred inflows of resources		-	-	-	-	-
Fund balances (deficit):						
Non-spendable		-	-	-	28,873	28,873
Restricted		2,128,904	-	1,087,695	340,841	3,557,440
Assigned		1,350,331	-	-	192,811	1,543,142
Unassigned (deficit)		2,135,240	-	-	(19,121)	2,116,119
Total fund balances		5,614,475	-	1,087,695	543,404	7,245,574
Total liabilities, deferred inflows of resources and fund balances	$	7,729,233	1,654,265	1,087,695	1,067,903	11,539,096

See accompanying notes to the financial statements.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet to
the Statement of Net Position

June 30, 2022

Total fund balance - governmental funds			$	7,245,574
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Proportionate share of long-term asset associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds				
Net pension asset - proportionate share - TRS				6,072,692
Net pension asset - proportionate share - ERS				450,802
Deferred inflows of resources not available to pay for current-period expenditures and, therefore, are not reported in the funds statement consist of:				
Pensions	$	8,416,666		
Other postemployment benefits		9,238,254		(17,654,920)
Deferred outflows of resources not available to pay for current-period expenditures and, therefore, are not reported in the funds consist of:				
Pensions	$	4,546,136		
Other postemployment benefits		12,398,605		
Deferred charge on bond refunding		10,060		16,954,801
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in funds:				
Cost of capital assets	$	58,730,540		
Accumulated depreciation		(20,093,905)		38,636,635

(Continued)

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet to
the Statement of Net Position, Continued

Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities, at year end, consist of:

Bonds payable	$ 12,833,000	
Unamortized bond premium	2,212,000	
Accrued interest on bonds	35,959	
Compensated absences payable	532,945	
Other postemployment benefits payable	73,778,582	(89,392,486)
Total net position - governmental activities		$ (37,686,902)

See accompanying notes to the financial statements.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2022

	Governmental fund type General	Governmental fund type Special aid	Governmental fund type Debt service	Total non-major governmental funds	Total governmental funds
Revenues:					
Real property taxes	$ 2,567,520	-	-	-	2,567,520
Other tax items	772,800	-	-	-	772,800
Charges for services	148,875	-	-	-	148,875
Use of money and property	41,366	-	-	-	41,366
Sale of property and compensation for loss	10,358	-	-	-	10,358
State sources	15,436,309	409,128	-	54,260	15,899,697
Medicaid reimbursement	73,114	-	-	-	73,114
Federal sources	87,056	1,757,615	-	510,215	2,354,886
Surplus food	-	-	-	41,996	41,996
Sales - school food service	-	-	-	44,833	44,833
Gifts and contributions	-	-	-	40,597	40,597
Interest earnings	-	-	3,717	16,360	20,077
Other revenues	-	-	-	-	-
Miscellaneous	215,680	-	-	3,735	219,415
Total revenues	19,353,078	2,166,743	3,717	711,996	22,235,534
Expenditures:					
General support	2,437,756	-	-	219,830	2,657,586
Instruction	8,245,682	1,484,462	-	-	9,730,144
Pupil transportation	817,666	6,401	-	-	824,067
Employee benefits	4,886,620	570,226	-	142,445	5,599,291
Debt service:					
Principal	1,330,169	-	1,450,000	-	2,780,169
Interest	827,059	-	-	-	827,059
Cost of sales	-	-	-	235,806	235,806
Scholarship and awards	-	-	-	-	-
Other expenses	-	-	80,622	70,074	150,696
Capital outlays	-	116,839	-	707,825	824,664
Total expenditures	18,544,952	2,177,928	1,530,622	1,375,980	23,629,482
Excess (deficiency) of revenues over expenditures	808,126	(11,185)	(1,526,905)	(663,984)	(1,393,948)
Other financing sources (uses):					
Premium on debt issuance	-	-	95,622	-	95,622
BAN payments from appropriations	-	-	-	-	-
Proceeds from debt	-	-	1,435,000	225,000	1,660,000
Operating transfers in	-	11,185	-	99,142	110,327
Operating transfers (out)	(110,327)	-	-	-	(110,327)
Total other financial sources (uses)	(110,327)	11,185	1,530,622	324,142	1,755,622
Net change in fund balances	697,799	-	3,717	(339,842)	361,674
Fund balances, beginning of year	4,916,676	-	1,083,978	883,246	6,883,900
Fund balances, end of year	$ 5,614,475	-	1,087,695	543,404	7,245,574

See accompanying notes to the financial statements.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Change in Fund Balances to the Statement of Activities

For the year ended June 30, 2022

Net change in fund balances - total governmental funds			$ 361,674
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, assets with an initial, individual cost of more than $5,000 are capitalized and in the Statement of Activities the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period			
Capital outlays	$	824,664	
Depreciation expense		(1,385,445)	(560,781)
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period			2,780,169
Proceeds of long-term debt are recorded as an other financing sources for governmental funds but are not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year			(1,755,622)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is decreased by the reduction in accrued interest on bonds and amortization of premium on bond issue			14,776
In the Statement of Activities, certain operating expenses--compensated absences (vacations and certain sick pay), special termination benefits (early retirement)--are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid)			(71,402)

(Continued)

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet to
the Statement of Net Position, Continued

On the Statement of Activities, the actual and projected long term expenditures for postemployment benefits and related deferred outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits				1,035,584
Increases in proportionate share of net pension asset and related deferred outflows/inflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds				
Teachers' Retirement System	$	1,206,746		
Employees' Retirement System		308,663		1,515,409
Change in net position of governmental activities			$	3,319,807

See accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

The financial statements of Brushton-Moira Central School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 used by the District are described below:

Reporting Entity

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

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

The accompanying financial statements present the activities of the District including the Extra Classroom Activity Funds. The Extra Classroom Activity Funds and related transactions are facilitated by the student body, however, the Board of Education exercises general oversight of these funds. The District accounts for the Extra Classroom Activity Funds in a special revenue fund. Separate audited financial statements (cash basis) of the Extra Classroom Activity Funds can be found at the District's business office.

Joint Venture

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

(1) Summary of Significant Accounting Policies, Continued

Joint Venture, Continued

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

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

During the year, the District was billed $2,798,086 for BOCES administrative, program and capital costs.

The District's share of BOCES aid amounted to $1,816,347.

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

Basis of Presentation

District-Wide Statements

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

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities and Changes in Net Position presents a comparison between direct program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended 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.

(1) Summary of Significant Accounting Policies, Continued

Basis of Presentation, Continued

Fund Statements

The fund statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following governmental funds:

Major Funds:

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

Special Aid Fund: Used to account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

Non-Major Funds:

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Miscellaneous Special Revenue Fund: Used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students.

Extra Classroom Activities Fund: Used for various student groups or extra classroom activity funds.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Measurement Focus and Basis of Accounting

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

(1) Summary of Significant Accounting Policies, Continued

Measurement Focus and Basis of Accounting, Continued

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

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

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

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2021, and became a lien on August 16, 2021. Taxes are collected during the period September 1, 2021 to November 1, 2021.

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

Restricted Resources

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

(1) Summary of Significant Accounting Policies, Continued

Interfund Transactions

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

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types. Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

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, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period.

Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

Cash and Cash Equivalents

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

(Continued)

(1) Summary of Significant Accounting Policies, Continued

Investments

Investments are stated at fair value.

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.

Inventories

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

A portion of fund balance in the amount of these non-liquid assets (inventories) has been identified as not available for other subsequent expenditures.

Other Assets

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

Capital Assets

Capital assets are reported at actual cost or estimated historical cost, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

	Capitalized threshold	Depreciation method	Estimated useful life
Buildings and improvements	$ 5,000	Straight-line	25-50 Years
Vehicles, furniture and equipment	5,000	Straight-line	5-20 Years

The District does not possess any infrastructure.

(1) Summary of Significant Accounting Policies, Continued

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet 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 four items that qualify for reporting in this category. First is the deferred charge on bond refunding 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 to the pension systems not included in pension expense. The third item is the District contributions to the New York State Teachers’ and Employees’ pension systems and to Other Postemployment Benefit (OPEB) plan subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

In addition to liabilities, the Statement of Net Position or Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. 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 or liability and difference during the measurement periods between the District’s contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

(1) Summary of Significant Accounting Policies, Continued

Unearned Revenue

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

Vested Employee Benefits

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

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

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

Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teacher's Retirement System. District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

(1) Summary of Significant Accounting Policies, Continued

Other Benefits, Continued

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

Short-Term Debt

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

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

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

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

(Continued)

(1) Summary of Significant Accounting Policies, Continued

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 full, in a timely manner, from current financial resources. Claims and judgments, other postemployment benefits payable, 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.

Lease Liability

The District, as a lessee, recognizes a lease liability and a deferred outflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease liability is measured at the present value of the lease payments expected to be made during the lease term. The deferred outflow of resources should be measured as the value of the lease liability in addition to any payments at or before the commencement of the lease term that relate to future periods.

Equity Classifications

District-Wide Statements

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

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

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

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

(Continued)

(1) Summary of Significant Accounting Policies, Continued

Equity Classifications, Continued

Fund Statements

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

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of $28,873.

Restricted - 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. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

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 the 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 after deposit of these monies. The reserve is accounted for in the General Fund under restricted fund balance.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, amounts must be used for the payment of accrued employee benefits 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.

(1) Summary of Significant Accounting Policies, Continued

Equity Classifications, Continued

Retirement Contributions

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

Capital

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

Unemployment Insurance

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

(1) Summary of Significant Accounting Policies, Continued

Equity Classifications, Continued

Restricted fund balance includes the following at June 30, 2022:

General fund:		
Reserve for employee benefits and accrued liabilities	$	533,301
Reserve for state and local retirement system contributions		513,073
Reserve for Teachers' Retirement System Contributions		291,635
Capital reserves		675,242
Reserve for Tax Certiorari		53,099
Unemployment insurance review		62,554
Debt Service Fund		1,087,695
Special Revenue Funds		340,841
Total restricted fund balances	$	3,557,440

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balance 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 or committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

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

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

(Continued)

(1) Summary of Significant Accounting Policies, Continued

Equity Classifications, Continued

Order of Use of Fund Balance

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

New Accounting Pronouncement

On July 1, 2021, the District adopted Statements of the Governmental Accounting Standards Board (GASB) No. 87, *Leases*. This statement was applied retrospectively and had an impact on the financial statements of the District. This statement requires the recognition of certain lease assets, and liabilities for leases that previously were classified as operating leases and recognize them as inflows of resources or outflows of resources based on the payment provisions of the contract.

(2) Stewardship, Compliance and Accountability

Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved 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. No supplemental appropriations occurred during the year.

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

(Continued)

(2) Stewardship, Compliance and Accountability, Continued

Budgets, Continued

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

Special Revenue Funds have not been included in the comparison because they do not have a legally authorized (appropriated) budget.

Encumbrances

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

Other

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law § 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include appropriating excess funds in the 2022-2023 current year budget and the 2023-2024 budget to offset anticipated state aid reductions.

(3) Cash and Cash Equivalents - Custodial Credit, Concentration of Credit, and Interest Rate Risks

Cash

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

(Continued)

(3) Cash and Cash Equivalents - Custodial Credit, Concentration of Credit, and Interest Rate Risks, Continued

Cash, Continued

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

Uncollateralized	$	25,719
Collateralized with securities by the pledging financial institution, or its trust department or agent, but not in the District's name	$	1,108,179

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $2,128,903 restricted for various fund balance reserves in the general fund, $816,477 restricted within the debt service fund, $100,684 restricted in the special revenue funds for scholarships, and $125,955 restricted for extra classroom in the special revenue funds.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2022, all deposits were fully insured and collateralized by the District's agent in the District's name.

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

Investment Pool - NYCLASS

The District participates in a multi-municipal cooperative investment pool in accordance with Article 5-G of the New York General Municipal Law, §119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

(Continued)

(3) Cash and Cash Equivalents - Custodial Credit, Concentration of Credit, and Interest Rate Risks, Continued

Investment Pool – NYCLASS, Continued

The amounts held represent the cost of the investment pool shares and are considered to approximate net asset value. The investment pool is categorically exempt from New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NYCLASS. At June 30, 2022, the District held $5,942,946 in the investment pool.

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

(4) Donor Restricted Endowment Investments

The District administers endowment funds, which have been restricted by the donors for various scholarships.

Donor-restricted endowments are reported at fair value.

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

As of June 30, 2022, the District held the following investments in its Special Revenue Fund as restricted for scholarships:

		Cost	Fair value
Restricted for scholarships:			
Exchange-traded funds	$	9,699	44,431
Mutual funds		12,841	12,118
Stocks		130,693	223,665
Total restricted for scholarships	$	153,233	280,214

The District reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets to which the District has access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

(4) Donor Restricted Endowment Investments, Continued

	June 30, 2022	Level 1 investments
Investments by fair value level:		
Exchange-traded funds	$ 44,431	44,431
Mutual funds	12,118	12,118
Stocks	223,665	223,665
	$ 280,214	280,214

(5) Capital Assets

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

Governmental activities	Beginning balance	Additions	Retirements/ reclassifications	Ending balance
Capital assets that are not depreciated:				
Land	$ 38,982	-	-	38,982
Construction in progress	14,765,460	388,670	(15,154,130)	-
Total nondepreciable assets	14,804,442	388,670	(15,154,130)	38,982
Capital assets that are depreciated:				
Buildings and improvements	40,791,733	99,141	15,154,130	56,045,004
Vehicles, furniture and equipment	3,267,454	248,443	(869,343)	2,646,554
Total depreciable assets	44,059,187	347,584	14,284,787	58,691,558
Less accumulated depreciation:				
Buildings and improvements	17,848,706	1,010,086	-	18,858,792
Vehicles, furniture and equipment	1,729,097	375,359	(869,343)	1,235,113
Total accumulated depreciation	19,577,803	1,385,445	(869,343)	20,093,905
Total depreciated assets, net	24,481,384	(1,037,861)	15,154,130	38,597,653
Capital assets, net	$ 39,285,826	(649,191)	-	38,636,635

Depreciation expense was charged to governmental functions as follows:

General support	$ 281,739
Instruction	822,496
Pupil transportation	281,210
	$ 1,385,445

(6) Long-Term Obligations

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

Serial Bonds

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

Details related to long-term obligations activity for the fiscal year ended June 30, 2022 are as follows:

Governmental activities	Beginning balance	Additions	Reductions	Ending balance	Amount due within one year
Bonds and notes payable:					
General obligation debt:					
Serial bond	$ 16,165,169	210,000	1,330,169	15,045,000	1,485,000
Premium on bonds	2,370,000	-	158,000	2,212,000	158,000
Total bonds and notes payable	18,535,169	210,000	1,488,169	17,257,000	1,643,000
Other liabilities:					
Compensated absences payable	461,543	71,402	-	532,945	-
Other postemployment benefits payable	70,480,149	3,298,433	-	73,778,582	-
Net pension liability - proportionate share	983,038	-	983,038	-	-
Total other liabilities	71,924,730	3,369,835	983,038	74,311,527	-
Total governmental activities	$ 90,459,899	3,579,835	2,471,207	91,568,527	1,643,000

On July 1, 2021, the District issued $1,435,000 of Refunding Serial Bonds, with an average interest rate of 3.00%. The bonds consist of series bonds bearing various fixed rates ranging from 2% to 4% with annual maturities from June 2022 through June 2032.

The net proceeds of $1,530,621 (after issuance costs of $80,621) were used to refund serial bonds with a total principal amount of $1,450,000 and an average interest rate of 3.5%.

(Continued)

(6) Long-Term Obligations, Continued

The refunding reduced the District's total debt service payments by approximately $15,000. The transaction resulted in a gain of approximately $28,000.

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

Existing serial and statutory obligations:

Description	Issue date	Final maturity	Interest rate (%)	Balance
Qual. school const. bonds	5/30/12	06/15/27	1.3-4.3%	$ 1,970,000
Bus purchase	2/7/18	11/15/22	2.95%	65,000
Bus purchase	2/21/19	11/15/23	2.69%	120,000
Bus purchase	2/5/20	11/15/24	1.79%	155,000
Bus purchase	11/17/20	11/15/25	2.49%	235,000
Bus purchase	11/17/21	11/15/26	1.29%	225,000
Serial bonds	6/16/21	6/15/35	4.0-5.0%	10,850,000
Serial bonds	3/25/22	6/15/32	2.0-4.0%	1,425,000
				$ 15,045,000

The following is a summary of debt service requirements at year-end June 30:

	Principal	Interest	Total
2023	$ 1,485,000	641,282	2,126,282
2024	1,465,000	590,538	2,055,538
2025	1,435,000	539,405	1,974,405
2026	1,410,000	488,360	1,898,360
2027	1,330,000	429,005	1,759,005
2028 - 2032	4,880,000	1,397,150	6,277,150
2033 - 2036	3,040,000	252,050	3,292,050
Total	$ 15,045,000	4,337,790	19,382,790

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

Interest paid	$ 827,015
Less: amortized premium on serial bonds/deferred charges on refunding	(160,046)
Less: interest accrued in the prior year	(50,735)
Plus: interest accrued in the current year	35,959
Total interest on long-term debt	$ 652,193

(Continued)

(7) Pension Plans

Teachers' Retirement System Plan Description

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple employer public employee defined benefit retirement system. TRS offers 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.

The New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and Social Security Lay of the State of New York. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the TRS Annual Comprehensive Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS 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 ERS. ERS 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 ERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, 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.

TRS Benefits Provided

Benefits

The benefits provided to members of TRS are established by 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 (Tier 1 – 6) and are as follows:

(7) Pension Plans, Continued

TRS Benefits Provided, Continued

Vested Benefits

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

Disability Retirement

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

Death Benefits

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

Prior Service

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

Tier Reinstatement

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

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1 %. It is applied to the first eighteen thousand dollars of annual benefit. The applicable percentage payable beginning September 2020 is 1.0%. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

(Continued)

(7) Pension Plans, Continued

ERS Benefits Provided

Benefits

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

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years.

Vested Benefits

Members who joined ERS prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100% vested.

Disability Retirement Benefits

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

(Continued)

(7) Pension Plans, Continued

Funding Policies

TRS and ERS are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier 6 vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

The District's share of the required contributions, based on covered payroll paid for the current and two preceding years were:

		TRS	ERS
2021-2022	$	623,048	262,888
2020-2021		531,892	242,264
2019-2020		627,518	224,771

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

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

		ERS	TRS
Measurement Date		March 31, 2022	June 30, 2021
District's proportionate share of the net pension asset	$	450,802	6,072,692
District's portion (%) of the plan's total net pension asset		0.0055147%	0.035043%
Change in proportion (%) since the prior measurement date		(0.0001975%)	(0.000326%)

(7) Pension Plans, Continued

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

For the year ended June 30, 2022, the District recognized pension income of $269,270 for ERS and $1,054,301 for TRS. At June 30, 2022, the 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	
		ERS	TRS	ERS	TRS
Differences between expected and actual experience	$	34,140	837,056	44,281	31,550
Changes of assumptions		752,339	1,997,435	12,695	353,716
Net difference between projected and actual earnings on pension plan investments		-	-	1,476,189	6,355,701
Changes in proportion and differences between the district's contributions and proportionate share of contributions		41,942	61,032	19,702	122,832
District's contributions subsequent to the measurement date		145,970	676,222	-	-
Total	$	974,391	3,571,745	1,552,867	6,863,799

(7) Pension Plans, Continued

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

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

		ERS	TRS
2023	$	(107,791)	(944,159)
2024		(157,435)	(1,177,228)
2025		(377,793)	(1,519,777)
2026		(81,428)	291,078
2027		-	203,684
Thereafter		-	-

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.90%	6.95%
Salary scale	4.40%	1.30%
Decrement tables	April 1, 2015 - March 31, 2020 System's experience	July 1, 2016 - June 30, 2020 System's experience
Inflation rate	2.70%	2.20%

(Continued)

(7) Pension Plans, Continued

Actuarial Assumptions, Continued

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP- 2020. For TRS, annuitant mortality rates are based on July 1, 2016 - June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020.

The long-term 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 each target asset allocation percentage and by adding expected inflation.

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

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Asset type:		
Domestic equity	3.30%	6.80%
International equity	5.85%	7.60%
Private equity	6.50%	10.00%
Global equity		7.10%
Real estate	5.00%	6.50%
Opportunistic/ARS portfolio	4.10%	
Real assets	5.58%	
Cash	(1.00%)	(0.20%)
Credit	3.78%	
Private debt		5.90%
Real estate debt		3.30%
Domestic fixed income securities		1.30%
Global fixed income securities		0.80%
High-yield fixed income securities		3.80%

(7) Pension Plans, Continued

Discount Rate

The discount rates used to calculate the total pension asset were 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, fiduciary net position for ERS and TRS 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 asset.

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

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

ERS	1% decrease (4.90%)	Current assumption (5.90%)	1% increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	$ (1,160,361)	450,802	1,798,463

TRS	1% decrease (5.95%)	Current assumption (6.95%)	1% increase (7.95%)
Employer's proportionate share of the net pension asset	$ 637,241	6,072,692	10,640,795

(7) Pension Plans, Continued

Pension Plan Fiduciary Net Position

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

		(In thousands)		
		ERS	TRS	Total
Measurement Date		March 31, 2022	June 30, 2021	
Employer's total pension (liability)	$	(223,874,888)	(130,819,415)	(354,694,303)
Plan net position		232,049,473	148,148,457	380,197,930
Employer's net pension asset	$	8,174,585	17,329,042	25,503,627
Ratio of plan net position to the employer's total pension (liability)		103.65%	113.20%	107.19%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $145,970. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $774,459.

(8) Interfund Transaction - Governmental Funds

Interfund balances at June 30, 2022 are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	$ 43,481	529,446	-	110,327
Capital project - district-wide	-	271,218	-	-
Special Aid	529,446	-	11,185	-
Debt service	271,218	-	-	-
Capital project - capital outlay	-	-	99,142	-
Capital project - Smart schools	-	43,481	-	-
	$ 844,145	844,145	110,327	110,327

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

(9) Fund Balances

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2022:

Fund Balances (Deficit)	General	Capital project - district-wide	Debt service	Non-major funds	Total governmental funds
Non-spendable - supplies inventory	$ -	-	-	28,873	28,873
Restricted:					
Debt service	-	-	1,087,695	-	1,087,695
Reserve for capital equipment and tech	175,063	-	-	-	175,063
Reserve for employee benefits and accrued liabilities	533,301	-	-	-	533,301
Reserve for state and local retirement system contributions	513,073	-	-	-	513,073
Reserve for Teachers' Retirement System Contributions	291,635	-	-	-	291,635
Reserve for Tax Certiorari	53,099	-	-	-	53,099
Reserve for buses	500,179	-	-	-	500,179
Special revenue	-	-	-	340,841	340,841
Unemployment insurance reserve	62,554	-	-	-	62,554
Assigned:					
Designated for next fiscal year	1,317,850	-	-	-	1,317,850
Instruction	32,481	-	-	-	32,481
School Food Service fund	-	-	-	192,811	192,811
Unassigned:					
General fund	2,135,240	-	-	-	2,135,240
Capital project district-wide	-	(24,755)	-	-	(24,755)
Capital project - Buses	-	-	-	4,987	4,987
Capital project - Smart schools	-	-	-	647	647
Total governmental fund balances (deficit)	$ 5,614,475	(24,755)	1,087,695	568,159	7,245,574

(Continued)

(10) Postemployment (Health Insurance) Benefits

General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy.

The plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - The District provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

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

Inactive employees or beneficiaries	100
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	155
Total covered employees	255

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2022, the District recognized $1,148,144 for its share of insurance premiums for currently enrolled retirees.

The District participates in the Franklin-Essex-Hamilton Health Benefits Consortium (the Plan). The Plan allows eligible District employees and dependents to continue health coverage upon retirement. The Plan does issue a publicly available financial report.

(Continued)

(10) Postemployment (Health Insurance) Benefits, Continued

General Information about the OPEB Plan, Continued

All active employees and retirees are subject to eligibility and contribution requirements set forth by their respective union groups. For all union groups, the District provides 100% Medicare Part B premium reimbursement for all eligible retirees and spouses. Length of coverage is lifetime.

Additional eligibility and contribution requirements are as follows:

Teachers

- Medical Plan: Indemnity Plan or PPOJ Plan (hired before July 1, 2013). PPOJ Plan (hired on/after July 1, 2013).

- Eligibility: Must meet the minimum age of 55 and retire as a member of the New York State Retirement System. Teachers hired prior to July 1, 2009 must provide a minimum of 5 years of service to the District. Teachers hired on/after July 1, 2009 must provide a minimum of 12 years of service to the District, with the last year of service occurring immediately prior to retirement. Service can be non-consecutive.

- Contributions: All members who retire prior to July 1, 2020 are required to contribute 0% of the medical plan premium. Members who retire on/after July 1, 2020 are required to contribute the same dollar amount in effect at the time of retirement for pre-65 coverage. The contribution rate schedule is as follows:

  - 2021 - 2022: 11.0% of the premium for members enrolled in the Classic Blue plan and 6.50% of the premium for members enrolled in the PPOJ plan.
  - 2022 - 2023: 12.0% of the premium for members enrolled in the Classic Blue plan and 7.50% of the premium for members enrolled in the PPOJ plan.
  - 2023 - 2024: 13.0% of the premium for members enrolled in the Classic Blue plan and 8.50% of the premium for members enrolled in the PPOJ plan.

  Upon turning 65 years of age, members receive 100% paid coverage from the District. Surviving spouses are allowed to continue COBRA coverage at 100% of the individual premium.

(10) Postemployment (Health Insurance) Benefits, Continued

General Information about the OPEB Plan, Continued

Support Staff

- Medical Plan: Indemnity Plan (retired before July 1, 2013). PPOJ Plan (all other members).

- Eligibility: Must meet the minimum age of 55 and retire as a member of the New York State Retirement System. Members who are age 55 or older as of June 21, 2010 do not need to meet a service requirement. Members younger than 55 years of age as of June 21, 2010 must also provide a minimum of 13 years of service to the District. Service can be non-consecutive.

- Contributions: All members who retired prior to July 1, 2018 are required to contribute 0% of the medical plan premium. All members who retire on/after July 1, 2018 are required to contribute the same rate in effect at the time of retirement. The contribution rate schedule is as follows:

    - 2021 - 2022: 2.50% of the premium for either plan.
    - 2022 - 2023: 2.75% of the premium for either plan.
    - 2023 - 2024: 3.00% of the premium for either plan.
    - 2024 - 2025: 3.25% of the premium for either plan.

  Surviving spouses are allowed to continue COBRA coverage at 100% of the individual premium.

Principals

- Medical Plan: PPOJ Plan.

- Eligibility: Must meet the minimum age of 55 and retire as a member of the New York State Retirement System. Members hired on/after September 1, 2013 must provide a minimum of ten consecutive years of full-time service to the District.

- Contributions: All current retirees are required to contribute 0% of the medical plan premium. Future retirees will contribute the same percentage in effect at the time of retirement. The contribution rate is 7.25% in 2021-2022 and 2022-2023. Surviving spouses are allowed to continue COBRA coverage at 100% of the individual premium.

(10) Postemployment (Health Insurance) Benefits, Continued

General Information about the OPEB Plan, Continued

Superintendents/Managers/Confidential Secretary

- Medical Plan: Indemnity Plan or PPOJ Plan.

- Eligibility: Must meet the minimum age of 55 and retire as a member of the New York State Retirement System. The Custodian, Transportation Official, and Confidential Secretary must also provide a minimum of twelve years of service to the District. The Superintendent must provide a minimum of ten years of service to the District.

- Contributions: All current retirees are required to contribute 0% of the medical plan premium. The active Superintendent will contribute 5.0% of the premium in retirement. All other actives are required to contribute the same dollar amount of their contribution in effect at the time of retirement. The contribution rate for Classic Blue and PPOJ for 2021-2022 and 2022-2023 is 10.0% and 6.5%, respectively. Surviving spouses are allowed to continue COBRA coverage at 100% of the individual premium.

Total OPEB Liability

The District has obtained an actuarial valuation report as of June 30, 2022 which indicated that the total liability for other postemployment benefits is $73,778,582 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2021 and was determined by an actuarial valuation as of July 1, 2020.

(10) Postemployment (Health Insurance) Benefits, Continued

Total OPEB Liability, Continued

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method and Assumptions	
Measurement date	July 1, 2021
Rate of compensation increase	0.00%
Inflation rate	2.20%
Discount rate	2.14%
Assumed Pre-65 Medical Trend Rates at June 30	
Health care cost trend rate assumed for next fiscal year	6.20%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.94%
Fiscal year that the rate reaches the ultimate trend rate	2091
Assumed Post-65 Medical Trend Rates at June 30	
Health care cost trend rate assumed for next fiscal year	6.20%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.94%
Fiscal year that the rate reaches the ultimate trend rate	2091
Additional Information	
Actuarial cost method	Entry age normal
Amortization method	Level percentage
Amortization period (in years)	7.28
Method used to determine actuarial value of assets	N/A

The discount rate is taken from Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then projected forward with scale MP-2020.

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

(Continued)

(10) Postemployment (Health Insurance) Benefits, Continued

Changes in the Total OPEB Liability

Balance at June 30, 2021	$	70,480,149
Changes for the year:		
Service cost		3,242,537
Interest		1,613,092
Changes of benefit terms		(1,008,804)
Differences between expected and actual experience		-
Changes of assumptions or other inputs		915,726
Benefit payments		(1,464,118)
Net changes		3,298,433
Balance at June 30, 2022	$	73,778,582

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% on July 1, 2020 to 2.14% on July 1, 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.14%) or 1 percentage point higher (3.14%) than the current discount rate:

		1% decrease (1.14%)	Discount Rate (2.14%)	1% increase (3.14%)
Total OPEB liability	$	88,494,238	73,778,582	62,135,732

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 (trend decreasing to 2.94%) or 1 percentage point higher (trend increasing to 4.94%) than the current healthcare cost trend rate:

		1% decrease (2.94%)	Healthcare Cost Trend Rate (3.94%)	1% increase (4.94%)
Total OPEB liability	$	59,834,036	73,778,582	92,489,195

(10) Postemployment (Health Insurance) Benefits, Continued

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

For the year ended June 30, 2022, the District recognized an OPEB expense of $1,148,144. 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
Difference between expected and actual experience	$ -	5,491,934
Changes of assumptions or other inputs	10,841,034	3,746,320
Benefit payments subsequent to the measurement date	1,557,571	-
	$ 12,398,605	9,238,254

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

Fiscal year ending June 30:	
2023	$ (1,141,110)
2024	(1,063,304)
2025	155,664
2026	1,585,059
2027	1,604,943
Thereafter	461,528
	$ 1,602,780

(11) Leases

The District entered into a lease agreement for equipment and technology with the Albany-Schoharie-Schenectady-Saratoga Board of Cooperative Educational Services. Payments under this lease is made monthly in accordance with the agreement. Future minimum payments under the agreement are approximately $13,500 per year. The agreement expires June 2026. Deferred outflows of resources will be amortized through the term of the agreement ranging from approximately $9,000 to $14,000 per year.

(12) Risk Management

General

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

Pooled Non-Risk-Retained

The District participates in the Franklin-Essex-Hamilton BOCES Health Insurance Consortium, non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 11 individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide unlimited coverage for its members per insured event. The pool obtains independent coverage for insured events, and the District has essentially transferred all related risk to the pool.

The District participates in the Franklin-Essex-Hamilton BOCES Workers' Compensation Insurance Consortium, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is $-0-.

(13) Contingencies and Commitments

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

During the year ended June 30, 2022, has an outstanding Notice of Claim from 2019. The actions have not been settled, but the District does not expect to incur any significant financial impact. The District's reserve balance related to Tax Certiorari is $53,099 at June 30, 2022.

(14) Coronavirus Pandemic

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic and the United States federal government declared COVID-19 a national emergency. The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the District and its future results and financial position is not presently determinable.

(14) Coronavirus Pandemic, Continued

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act). The CRRSA Act authorizes funding for a second Education Stabilization Fund to prevent, prepare and respond to the coronavirus.

On March 11, 2021, the President signed into law the American Rescue Plan Act of 2021 (ARP). These funds are focused on supporting the safe return to in-person instructions and continuity of services, addressing the impact of lost instructional time through summer or extended school programs, responding to students' academic, social, and emotional needs, and addressing the disproportionate impact of the coronavirus on economically disadvantaged students, children with disabilities, English learners, racial and ethnic minorities, migrant students, students experiencing homelessness, and children and youth in foster care.

During the 20-21 school year, the District was awarded funding under the CRRSA Act of $1.38 million, and the ARP of $3.85 million. This funding is to be used through September 2024.

(15) Subsequent Events

Management has evaluated subsequent events and transactions that have occurred between June 30, 2022 and October 14, 2022, which is the date the financial statements were available to be issued.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Five Fiscal Years

For the year ended June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability:					
Service cost	$ 3,242,537	2,461,460	2,443,173	2,747,802	3,627,421
Interest	1,613,092	2,064,615	2,077,826	2,255,326	1,947,130
Changes of benefit terms	(1,008,804)	(195,397)	-	(76,079)	-
Difference between expected and actual experience	-	(1,861,667)	-	(9,395,639)	-
Change of assumptions or other inputs	915,726	12,179,772	2,151,272	(2,788,270)	(8,999,612)
Benefit payments	(1,464,118)	(1,392,345)	(1,391,967)	(1,399,733)	(1,335,734)
Net change in total OPEB liability	3,298,433	13,256,438	5,280,304	(8,656,593)	(4,760,795)
Total OPEB liability - beginning	70,480,149	57,223,711	51,943,407	60,600,000	65,360,795
Total OPEB liability - ending	$ 73,778,582	70,480,149	57,223,711	51,943,407	60,600,000
Covered - employee payroll	$ -	8,388,948	7,517,571	7,731,434	7,366,100
Total OPEB liability as a percentage of covered payroll	0.00%	840.15%	761.20%	671.85%	822.69%

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.

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund

For the year ended June 30, 2022

	Original budget	Final budget	Actual	Year-end encumbrances	Final budget variance with actual
Revenues:					
Local sources:					
Real property taxes	$ 2,541,300	2,541,300	2,567,520		26,220
Other tax items	794,788	794,788	772,800		(21,988)
Charges for services	65,000	65,000	148,875		83,875
Use of money and property	41,196	41,196	41,366		170
Sale of property and compensation for loss	250	250	10,358		10,108
Miscellaneous	106,565	106,565	215,680		109,115
Total local sources	3,549,099	3,549,099	3,756,599		207,500
State sources	15,345,919	15,345,919	15,436,309		90,390
Federal sources	159,603	159,603	160,170		567
Total revenues	19,054,621	19,054,621	19,353,078		298,457
Other financing sources:					
Transfers from other funds	-	-	-		-
Appropriated reserves	-	-	-		-
Total revenues and other financing sources	19,054,621	19,054,621	19,353,078		298,457
				Year-end encumbrances	**Final budget with actual and encumbrances**
Expenditures:					
General support:					
Board of Education	2,459	5,794	5,273	$ -	521
Central administration	126,295	127,777	121,878	-	5,899
Finance	465,922	461,008	455,845	-	5,163
Staff	53,340	71,796	62,576	-	9,220
Central services	1,324,098	1,561,471	1,488,861	1,100	71,510
Special items	308,047	308,260	303,323	-	4,937
Total general support	2,280,161	2,536,106	2,437,756	1,100	97,250
Instruction:					
Instruction, administration and improvement	360,409	397,566	379,184	-	18,382
Teaching - regular school	4,074,388	4,062,823	3,771,331	397	291,095
Programs for children with handicapping conditions	2,036,612	1,972,823	1,724,892	-	247,931
Occupational education	1,205,011	1,282,465	1,241,343	-	41,122
Teaching - special school	10,855	10,715	9,054	-	1,661
Instructional media	683,611	507,359	410,578	-	96,781
Pupil services	793,910	806,979	709,300	132	97,547
Total instruction	9,164,796	9,040,730	8,245,682	529	794,519
Pupil transportation	835,625	862,771	817,666	1,100	44,005
Employee benefits	5,665,466	5,544,073	4,886,620	-	657,453
Debt service	2,240,442	2,231,325	2,157,228	-	74,097
Total expenditures	20,186,490	20,215,005	18,544,952	2,729	1,570,074
Other financing uses:					
Operating transfers to other funds	135,000	135,000	110,327	-	24,673
Total expenditures and other financing uses	20,321,490	20,350,005	18,655,279	$ 2,729	1,594,747
Net change in fund balances	(1,266,869)	(1,295,384)	697,799		
Fund balances, beginning of year	1,019,505	954,491	4,916,676		
Fund balances (deficit), end of year	$ (247,364)	(340,893)	5,614,475		

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of District's Proportionate Share of the Net Pension Asset (Liability)
NYSLRS Pension Plan Last Eight Fiscal Years

For the year ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)								
District's proportion of the net pension asset (liability)	0.035043%	0.035369%	0.035400%	0.036591%	0.033681%	0.033687%	0.031746%	0.030635%
District's proportion share of the net pension asset (liability)	6,072,692	(977,350)	919,694	661,658	256,010	(360,803)	3,297,427	3,412,538
District's covered payroll	6,900,228	6,449,915	6,289,256	6,207,992	5,623,392	5,335,349	4,797,157	4,588,303
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	88.01%	15.15%	14.62%	10.66%	4.55%	6.76%	68.74%	74.37%
Plan fiduciary net position as a percentage of the total pension asset (liability)	113.20%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Employees' Retirement System (ERS)								
District's proportion of the net pension asset (liability)	0.0055147%	0.0057122%	0.0054454%	0.0054153%	0.0058422%	0.0057947%	0.0054104%	0.0057191%
District's proportion share of the net pension asset (liability)	450,802	(5,688)	(1,441,961)	(383,693)	(188,553)	(544,483)	(868,383)	(193,206)
District's covered payroll	1,683,094	1,701,683	1,616,125	1,566,492	1,558,483	1,466,048	1,435,297	1,400,659
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	26.78%	0.33%	89.22%	24.49%	12.10%	37.14%	60.50%	13.79%
Plan fiduciary net position as a percentage of the total pension asset (liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%

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.

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of District's Contributions - NYSLRS Pension Plan
Last Eight Fiscal Years

For the year ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)								
Contractually required contribution	$ 566,844	531,892	627,518	584,103	625,538	689,290	835,957	735,354
Contribution in relation to the contractually required contribution	566,844	531,892	627,518	584,103	625,538	689,290	835,957	735,354
Contributions deficiency (excess)	$ -	-	-	-	-	-	-	-
District's covered payroll	6,900,228	6,449,915	6,289,256	6,207,992	5,623,392	5,335,349	4,797,157	4,588,303
Contributions as a percentage of covered payroll	8.2%	8.2%	10.0%	9.4%	11.1%	12.9%	17.4%	16.0%
Employees' Retirement System (ERS)								
Contractually required contribution	262,888	242,264	224,771	220,325	225,297	212,630	252,191	249,726
Contributions in relation to the contractually required contribution	262,888	242,264	224,771	220,325	225,297	212,630	252,191	249,726
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-
District's covered payroll	1,683,094	1,701,683	1,616,125	1,566,492	1,558,483	1,466,048	1,435,297	1,400,659
Contributions as a percentage of covered payroll	15.6%	14.2%	13.9%	14.1%	14.5%	14.5%	17.6%	17.8%

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.

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of Change from Adopted Budget to Final Budget and the
Real Property Tax Limit - General Fund

June 30, 2022

Change from Adopted Budget to Final Budget

Adopted budget	$	20,321,490
Add: prior year's encumbrances		28,515
Original budget		20,350,005
Budget revision		-
Final budget	$	20,350,005

Section 1318 of Real Property Tax Law Calculation

2022-2023 voter approved expenditure budget			$	21,160,458
Maximum allowed 4% of 2022-2023 budget				846,418
General fund balance subject to Section 1318 of Real Property Tax Law				
Unrestricted fund balance:				
Assigned fund balance	$	1,350,331		
Unassigned fund balance		2,135,240		
Total unrestricted fund balance		3,485,571		
Less:				
Appropriated fund balance		1,347,602		
Encumbrances included in assigned fund balance		2,729		
Total adjustments		1,350,331		
General fund balance subject to Section 1318 of Real Property Tax Law			$	2,135,240
Annual percentage				10.09%

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of Capital Projects Fund - Project Expenditures and Financing Resources

For the year ended June 30, 2022

Project Title	Original appropriation	Revised appropriation	Prior year	Current year	Total	Unexpended balance	Proceeds of obligations	State aid	Local sources	Total	Transfers to other funds	Fund balance (deficit) June 30, 2022
2017 Capital Project	$ 11,521,000	17,022,164	16,384,145	388,670	16,772,815	249,349	-	-	16,748,060	16,748,060	-	(24,755)
Capital Outlay - Bleachers	99,968	99,968	-	99,142	99,142	826	-	-	99,142	99,142	-	-
Smart Schools Project	1,127,104	1,127,104	495,673	-	495,673	631,431	-	496,320	-	496,320	-	647
Buses 21-22	220,013	220,013	-	220,013	220,013	-	225,000	-	-	225,000	-	4,987
Total	$ 12,968,085	18,469,249	16,879,818	707,825	17,587,643	881,606	225,000	496,320	16,847,202	17,568,522	-	(19,121)

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Combining Balance Sheet - Non-Major Governmental Funds

June 30, 2022

		School food service	Miscellaneous special revenue	Capital project - district wide	Capital project - buses	Capital project - smart schools	Capital project - capital outlay	Total non-major funds
Assets:								
Cash and cash equivalents:								
Unrestricted	$	117,632	-	-	-	-	-	117,632
Restricted		-	226,639	251,462	4,987	647	-	483,735
Investments held by Trustee:								
Restricted		-	280,214	-	-	-	-	280,214
Receivables:								
Due from other funds		-	-	-	-	-	-	-
State and federal aid		112,125	-	-	-	43,482	-	155,607
Other		1,842	-	-	-	-	-	1,842
Inventories		28,873	-	-	-	-	-	28,873
Total assets	$	260,472	506,853	251,462	4,987	44,129	-	1,067,903
Liabilities:								
Payables:								
Accounts payable	$	364	-	5,000	-	-	-	5,364
Accrued liabilities		10,555	-	-	-	-	-	10,555
Due to other funds		-	-	271,217	-	43,482	-	314,699
Due to other governments		320	-	-	-	-	-	320
Due to Teachers' Retirement System		-	-	-	-	-	-	-
Due to Employees' Retirement System		7,691	-	-	-	-	-	7,691
Extra classroom activity balances:								
Student deposits		-	125,955	-	-	-	-	125,955
Other liabilities		19,858	40,057	-	-	-	-	59,915
Total liabilities		38,788	166,012	276,217	-	43,482	-	524,499
Deferred inflows and resources								
Deferred state of aid		-	-	-	-	-	-	-
Total deferred inflows of resources		-	-	-	-	-	-	-
Fund balance (deficit):								
Non-spendable		28,873	-	-	-	-	-	28,873
Restricted		-	340,841	-	-	-	-	340,841
Assigned		192,811	-	-	-	-	-	192,811
Unassigned (deficit)		-	-	(24,755)	4,987	647	-	(19,121)
Total fund balance (deficit)		221,684	340,841	(24,755)	4,987	647	-	543,404
Total liabilities, deferred inflows of resources and fund balances (deficit)	$	260,472	506,853	251,462	4,987	44,129	-	1,067,903

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Governmental Funds

For the year ended June 30, 2022

	School food service	Miscellaneous special revenue	Capital project - district wide	Capital project - buses	Capital project - smart schools	Capital project - capital outlay	Total non-major funds
Revenues:							
Use of money and property	$ -	-	-	-	-	-	-
State sources	10,778	-	-	-	43,482	-	54,260
Federal sources	510,215	-	-	-	-	-	510,215
Surplus food	41,996	-	-	-	-	-	41,996
Sales - school food service	44,833	-	-	-	-	-	44,833
Gifts and contributions	-	40,597	-	-	-	-	40,597
Interest earnings	-	16,360	-	-	-	-	16,360
Other revenues	-	-	-	-	-	-	-
Miscellaneous	2,875	-	-	-	860	-	3,735
Total revenues	$ 610,697	56,957	-	-	44,342	-	711,996
Expenditures							
General support	219,830	-	-	-	-	-	219,830
Instruction	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-
Employee benefits	142,445	-	-	-	-	-	142,445
Cost of sales	207,534	28,272	-	-	-	-	235,806
Scholarships and awards	-	-	-	-	-	-	-
Other expenses	-	70,074	-	-	-	-	70,074
Capital outlay	-	-	388,670	220,013	-	99,142	707,825
Total expenditures	569,809	98,346	388,670	220,013	-	99,142	1,375,980
Excess (deficiency) of revenues over expenditures	40,888	(41,389)	(388,670)	(220,013)	44,342	(99,142)	(663,984)
Other financing sources:							
Premium on debt issuance	-	-	-	-	-	-	-
BAN payments from appropriations	-	-	-	-	-	-	-
Proceeds from debt	-	-	-	225,000	-	-	225,000
Operating transfers in	-	-	-	-	-	99,142	99,142
Operating transfers (out)	-	-	-	-	-	-	-
Total other sources	-	-	-	225,000	-	99,142	324,142
Net change in fund balances	40,888	(41,389)	(388,670)	4,987	44,342	-	(339,842)
Fund balances (deficit) - beginning of year	180,796	382,230	363,915	-	(43,695)	-	883,246
Fund balances (deficit) - end of year	$ 221,684	340,841	(24,755)	4,987	647	-	543,404

See accompanying independent auditor's report.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Net Investment in Capital Assets

For the year ended June 30, 2022

Capital assets, net		$ 38,636,635
Add:		
Deferred charge on bond refunding		10,060
Deduct:		
Short-term portion of bonds payable	$ 1,643,000	
Long-term portion of bonds payable	13,402,000	15,045,000
Net investment in capital assets		$ 23,601,695

See accompanying independent auditor's report.

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
Brushton-Moira Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brushton-Moira 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 Brushton-Moira Central School District's basic financial statements and have issued our report thereon dated October 14, 2022.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

Fust Charles Chambers LLP

Syracuse, New York
October 14, 2022

Fust Charles Chambers LLP

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

Board of Education
Brushton-Moira Central School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Brushton-Moira Central School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Brushton-Moira Central School District's major federal programs for the year ended June 30, 2022. Brushton-Moira 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, the Brushton-Moira 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Brushton-Moira 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 the Brushton-Moira Central School District's compliance with the compliance requirements referred to above.

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Report on Compliance for Each Major Federal Program, Continued

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Brushton-Moira 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 the Brushton-Moira 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Brushton-Moira Central School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Brushton-Moira 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 the Brushton-Moira 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 the Brushton-Moira Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

(Continued)

Report on Compliance for Each Major Federal Program, Continued

Auditor's Responsibilities for the Audit of Compliance, Continued

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.

Fust Charles Chambers LLP

Syracuse, New York
October 14, 2022

Fust Charles Chambers LLP

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education:			
Passed-through NYS Education Department:			
Title I Grants to Local Education Agencies	84.010	0021-20-0940	$ 415,000
Total Title I Grants to Local Education Agencies			415,000
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-20-0264	228,206
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-20-0264	9,361
Total Special Education Cluster			237,567
Student Support and Academic Enrichment program	84.424	0204-20-0940	29,089
Improving Teacher Quality state grants	84.367	0147-20-0940	44,904
Rural education	84.358	0006-20-0940	17,118
Total passed-through NYS Education Department			91,111
Education Stabilization Fund:			
Coronavirus Response and Relief Supplemental Appropriations Act, 2021-Emergency Assistance (CRRSA-ESSER 2)	84.425D		609,822
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U		389,413
Total Education Stabilization Fund			999,235
Total U.S. Department of Education			1,742,913
U.S. Department of Agriculture:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555		46,442
Non-Cash Assistance subtotal			46,442
Cash Assistance:			
School Breakfast Program	10.553		143,575
National School Lunch Program	10.555		361,478
National School Snack Program	10.555		5,160
Cash Assistance subtotal			510,213
Total Child Nutrition Cluster			556,655
Total passed-through NYS Education Department			1,742,913
Total U.S. Department of Agriculture			556,655
Total Federal Assistance Expenditures of Federal Awards			$ 2,299,568

See accompanying notes to schedule of expenditures of federal awards.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

June 30, 2022

(1) Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs administered by the District, which is described in note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable programs and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

(2) Subrecipients

No amounts were provided to subrecipients.

(3) Other Disclosures

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

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

(4) Non-Monetary Federal Program

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $46,442 of commodities under the National School Lunch Program (CFDA 10.555).

At June 30, 2022, the District had food commodities totalling $19,455 in inventory.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major program:

Federal Assistance Listing Number(s)	*Name of Federal Program or Cluster*
U.S. Department of Education:	
84.425D	Coronavirus Response and Relief Supplemental Appropriations Act, 2021-Emergency Assistance
84.425U	American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Sections III - Federal Award Findings and Questioned Costs

None

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

June 30, 2022

Note A- Findings - Financial Statement Audit

There were no prior year audit findings.

Note B - Findings - Major Federal Award Programs Audit

There were no prior year audit findings.

INDEPENDENT AUDITOR'S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS

To the President and Members of the
Board of Education
Brushton-Moira Central School District:

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Brushton-Moira Central School District for the year ended June 30, 2022, and the related note to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Brushton-Moira Central School District for the year ended June 30, 2022, in accordance with the cash basis of accounting described in note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Brushton-Moira Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statement

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

(Continued)

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Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 statement.

In performing an audit in accordance with GAAS and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts, we:

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

- Identify and assess the risks of material misstatement of the financial statement, 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 in the financial statement.

- 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 Brushton-Moira Central School District's internal control. 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, significant audit findings, and certain internal control related matters that we identified during the audit.

Fust Charles Chambers LLP

Syracuse, New York
October 14, 2022

Fust Charles Chambers LLP

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Extra Classroom Activity Funds - Statement of Cash Receipts and Disbursements

Year ended June 30, 2022

	Cash balance 7/1/2021	Cash receipts	Cash disbursements	Cash balance 6/30/2022
Class of:				
Class of 2019	$ 2,572	-	-	2,572
Class of 2020	519	-	-	519
Class of 2021	58	-	58	-
Class of 2022	3,174	3,206	6,151	229
Class of 2023	6,328	7,582	3,470	10,440
Class of 2024	304	898	-	1,202
Class of 2025	379	3,389	142	3,626
Class of 2027	-	1,510	-	1,510
Adventure Club	-	220	157	63
Art Club	3,532	1,178	3,283	1,427
Environmental Club	1,389	-	-	1,389
Future Farmers of America	51,447	35,048	31,314	55,181
Honor Society	1,148	425	552	1,021
Musical Club	4,196	-	-	4,196
Musical Department	6,328	10,003	13,978	2,353
Nat. Jr. Honor Society	189	394	156	427
Pawsitive Panthers	1,302	2,339	1,799	1,842
SADD	809	790	426	1,173
Spanish Club	129	-	-	129
Student Council	7,568	6,516	4,833	9,251
Varsity Club	25,681	8,027	12,161	21,547
Yearbook	1,065	7,778	3,998	4,845
	118,117	89,303	82,478	124,942
NYS Sales Tax	514	1,604	1,105	1,013
Total	$ 118,631	90,907	83,583	125,955

See accompanying notes to extra classroom activity funds.

BRUSHTON-MOIRA CENTRAL SCHOOL DISTRICT

Extra Classroom Activity Funds - Note to Financial Statements

June 30, 2022

(1) Significant Accounting Policies

The Extra Classroom Activity Funds of the Brushton-Moira Central School District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management.

The accounts of the Extra Classroom Activity Funds of the Brushton-Moira Central School District are maintained on a cash basis and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets and accrued income and expenses, which would be recognized under generally accepted accounting principles and, which may be material in amount, are not recognized in the accompanying financial statement.