PRELIMINARY OFFICIAL STATEMENT DATED JUNE 22, 2022

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 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 NOT be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$15,700,000

AFTON CENTRAL SCHOOL DISTRICT

CHENANGO AND BROOME COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$15,700,000 Bond Anticipation Notes, 2022

(the "Notes")

Dated: July 14, 2022 | **Due: June 29, 2023**

The Notes are general obligations of the Afton Central School District, Chenango and Broome Counties, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF 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 Clerk. 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 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. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser, or about July 14, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 30, 2022 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids 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 for the Notes.

June 22, 2022

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

AFTON CENTRAL SCHOOL DISTRICT
CHENANGO AND BROOME COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

MARYANN PALMETIER[1]
President

HENRY BOSTELMAN
Vice President

BRENDA JAMES
TINA MINER-JAMES
STEPHANIE RUPAKAS

* * * * * * * * * *

GORDON DANIELS[2]
Interim Superintendent of Schools

KRISTYN DEGROAT
Business Manager/Treasurer

CONNIE BEAMES
District Clerk

HOGAN, SARZYNSKI, LYNCH, DEWIND & GREGORY LLP
School District Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

(1)-The Board of Education announced the appointment of James Parkinson to the School Board effective July 1, 2022, the Board of education will also be appointing a new Board President at their re-organizational meeting scheduled to be held July 7, 2022.

(2)- The Board of Education announced the appointment of Nicholas Colosi as the next Superintendent of Schools effective July 18, 2022.

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

AFTON CENTRAL SCHOOL DISTRICT
CHENANGO AND BROOME COUNTIES, NEW YORK

Relating To

$15,700,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Afton Central School District, Chenango and Broome Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $15,700,000 principal amount of Bond Anticipation Notes, 2022 (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 OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated July 14, 2022 and will mature June 29, 2023. 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.

This Official Statement should be read with the understanding that the COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "MARKET AND RISK FACTORS" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and Statues of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on September 3, 2020 authorizing the issuance of $15,700,000 serial bonds to finance the construction of improvements to and reconstruction of the Main School District building, including athletic field improvements, the acquisition of a parcel of land located at 1364 State Highway 7 and construction of a new bus garage thereon, at a maximum estimated cost of $19,200,000, and to expend $2,300,000 of unappropriated fund balance and $1,200,000 Capital Reserve Fund monies to pay a portion thereof. For additional information please see "STATUS OF INDEBTEDNESS - Capital Project Plans" herein.

The proceeds of the Notes will renew in full the $10,000,000 bond anticipation notes maturing July 15, 2022 and provide $5,700,000 new monies for the aforementioned purpose.

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located in the Southern Tier Region of New York State, in Chenango and Broome Counties. It has a land area of 86.96 square miles. The District includes most of the Town of Afton and parts of the Towns of Colesville, Sanford, Coventry and Bainbridge and the Village of Afton (the "Village").

The Village of Afton lies 28 miles northeast of Binghamton. Although Afton is a rural region, an ever-decreasing percentage of the families work in agriculture. Most employment is found in the manufacturing and service jobs in neighboring villages and the City of Binghamton area.

The Village offers services to its residents and some services to the residents of surrounding rural areas: fire protection, Village police department, emergency squad, cable television, historical museum, post office, and public library. Also serving the area are a hardware store, feed mill, grocery store, variety shop, several restaurants and other small shops.

Major highways serving the District include NY State Highways #41 and #7. Of major significance to the changing nature of the area is Interstate Highway 88, which puts many services and opportunities within easy driving distance of the District.

Afton is a small, rural community, with limited recreational, cultural and service resources. Families that lack ready transportation have difficulty gaining access to the resources of neighboring cities. As a result, the school and its services are a focal point of the community.

Source: District officials.

District Population

The District has an estimated 2020 population of 3,730. (Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.)

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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 County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Village of:						
Afton	$ 17,299	$ 24,231	$ 24,285	$ 38,194	$ 67,857	$ 63,750
Towns of:						
Afton	16,239	23,645	33,617	50,046	50,260	60,000
Bainbridge	17,832	22,473	27,436	41,625	60,347	59,844
Colesville	15,816	18,938	24,986	40,333	55,553	75,938
Coventry	14,807	18,525	28,596	38,906	51,667	65,298
Sanford	17,083	20,007	27,965	40,472	43,542	66,680
Counties of:						
Broome	19,168	24,314	29,721	45,422	57,545	69,596
Chenango	16,427	22,036	28,780	39,711	52,229	65,537
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

Note: 2017-2021 American Community Survey data is not available as of the date of this Official Statement.

Unemployment Rate Statistics

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

Annual Average

	2015	2016	2017	2018	2019	2020	2021
Chenango County	5.5%	5.1%	5.3%	4.6%	4.3%	6.6%	4.4%
Broome County	6.0	5.5	5.5	4.8	4.5	8.3	5.2
New York State	5.2	4.9	4.6	4.1	3.8	9.9	6.9

2022 Monthly Figures

	Jan	Feb	Mar	Apr	May	June
Chenango County	3.9%	4.1%	3.9%	2.9%	N/A	N/A
Broome County	4.5	4.6	4.3	3.5	N/A	N/A
New York State	5.3	5.1	4.7	4.2	N/A	N/A

Note: Unemployment rates for May and June 2022 are not available as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of five members with overlapping five-year terms so that one member is elected to the Board each year. Each Board member must be a qualified voter of the School District. The President and the Vice President are selected by the Board members.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain financial functions of the District are the responsibility of the Business Manager.

Budgetary Procedures and Recent Budget Votes

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

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

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

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

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2020-21 fiscal year was approved by qualified voters on June 16, 2020 by a vote of 326 yes to 169 no. The adopted budget for the 2020-21 fiscal year included a total tax levy increase of 2.23%, which was equal to the District's Tax Cap of 2.23% for the 2020-21 fiscal year.

The budget for the 2021-22 fiscal year was approved by qualified voters on May 18, 2021 by a vote of 106 yes to 33 no. The adopted budget for the 2021-22 fiscal year included a total tax levy increase of 0.92%, which was equal to the District's Tax Cap of 0.92% for the 2021-22 fiscal year.

The budget for the 2021-22 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 222 to 136. The adopted budget for the 2022-23 fiscal year called for a total tax levy increase of 2.00%, which is within the District's tax cap of 2.21% for the 2022-23 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law. The School District does not invest in reverse repurchase obligations or other derivative type investments.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Savings Accounts; (2) N.O.W. Accounts; (3) Money Market Deposit Accounts; (4) Super N.O.W. Accounts; (5) 7 to 31 – Day Accounts; (6) Certificates of Deposit; and (7) U.S. Treasury Bonds, Bills and Notes.

The Treasurer is authorized to contract for the purchase of investments, including through a written repurchase agreement with a third party custodian, from an authorized trading partner. The School District does not invest in reverse repurchase agreement or other derivative type investments, which are not permitted under existing law.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2022-2023 fiscal year, approximately 69.55% 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. The District received a total of approximately $2,202,180 in funds from the American Rescue Plan and Coronavirus Response and Relief Supplemental Appropriations Act.

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.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. 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 2022-2023 preliminary building aid ratios, the District expects to receive State building aid of approximately 91.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

School district fiscal year (2016-2017): The 2016-2017 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District is a part of the Community Schools Grant Initiative (CSGI) and has received $62,527 in grant monies from the State.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level was divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA was a negative number, money that was deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately $2,502,805. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

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

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

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist 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.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date but an agreement has been reached. See "*School district fiscal year (2021-2022)*" and paragraph below herein.

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

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 14,633,123	$ 9,707,887	66.34%
2017-2018	15,602,241	10,059,978	64.48
2018-2019	16,136,062	10,311,436	63.90
2019-2020	15,503,262	10,476,752	67.58
2020-2021	15,579,403	10,562,005	67.79
2021-2022 (Budgeted)	16,204,456 (1)	11,326,743	69.90
2022-2023 (Budgeted)	17,401,313 (2)	12,428,430	71.42

(1) Does not include $363,566 of appropriated fund balance and reserves.
(2) Does not include $467,971 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2016-17 through 2020-21 fiscal years and adopted budgets for the 2021-22 and 2022-23 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Year(s) Built	Capacity
Afton Central School District	K-12	1908, ’29, ’56, ’67, ’93, ‘02	800

Source: District officials.

Enrollment Trends

School Year	Enrollment	School Year	Projected Enrollment
2017-18	553	2022-23	500
2018-19	542	2023-24	500
2019-20	536	2024-25	500
2020-21	482	2025-26	500
2021-22	478	2026-27	500

Source: District officials.

Employees

The District employs a total of 149 full-time and 4 part-time employees with representation by the various bargaining units listed below:

Number of Employees	Unit	Contract Expiration Date
72	Teachers’ Association	6/30/2024
66	Non-Instructional Association	6/30/2025
3	Afton Administrators Association	6/30/2023
8	Non Union	N/A

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

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

Fiscal Year	TRS	ERS
2017-2018	461,735	266,562
2018-2019	468,249	275,678
2019-2020	367,299	247,617
2020-2021	419,616	256,239
2021-2022 (Budgeted)	550,000	307,000
2021-2022 (Unaudited)(1)	445,528	273,990
2022-2023 (Budgeted)	500,000	270,000

(1) Unaudited and may change.

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 (2018-19 to 2022-23) is shown below:

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

*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 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 and has begun funding a TRS reserve fund as of the 2019-20 fiscal year.

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

Other Post-Employment Benefits

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

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

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

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

The District contracted with Questar State Aid Planning to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at:	June 30, 2019	June 30, 2020
	$ 3,434,380	$ 3,746,080
Changes for the year:		
Service cost	149,535	179,762
Interest	121,547	84,720
Effect of demographic gains and losses	-	(221,482)
Differences between expected and actual experience	264,847	(178,011)
Benefit payments	(224,229)	(185,741)
Net Changes	$ 311,700	$ (320,752)
Balance ending at:	June 30, 2020	June 30, 2021
	$ 3,746,080	**$ 3,425,328**

Source: Audited financial statements of the District. 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.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as "APPENDIX – E". Certain financial information of the District can be found attached as Appendices to the Continuing Disclosure Statement.

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

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

New York State Comptroller Reports of Examination

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

There are no recent State Comptrollers audits of the District nor any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by sequence.

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.

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The reports of the State Comptroller for the 2016-17 through 2020-21 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	Not Filed*
2018	No Designation	0.0
2017	No Designation	0.0

* The District did not file their annual financial report or reported data that was inconclusive for FSMS purposes as of the date their score was to be calculated, and therefore a fiscal stress score could not be calculated.

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

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 bonds and notes are to be issued is the Education Law and the Local Finance Law.

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

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

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Afton	$ 87,794,773	$ 88,270,828	$ 89,484,335	$ 89,331,982	$ 89,472,648
Bainbridge	1,990,050	1,978,993	1,982,963	1,986,299	1,985,800
Coventry	51,633,586	51,646,387	51,753,363	51,953,163	52,090,615
Colesville	922,695	916,286	911,349	920,149	935,322
Sanford	18,408,963	18,360,665	18,067,132	18,003,917	18,499,030
Total Assessed Values	$ 160,750,067	$ 161,173,159	$ 162,199,142	$ 162,195,510	$ 162,983,415
State Equalization Rates					
Towns of:					
Afton	72.00%	76.00%	72.50%	65.00%	65.00%
Bainbridge	108.40%	109.16%	100.00%	98.00%	91.98%
Coventry	100.00%	100.00%	100.00%	100.00%	100.00%
Colesville	8.36%	8.11%	7.55%	7.65%	7.60%
Sanford	60.00%	58.00%	56.50%	56.00%	56.00%
Total Taxable Full Valuation	$ 217,125,237	$ 212,559,685	$ 221,211,067	$ 235,591,760	$ 237,240,641

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Afton	$ 28.49	$ 27.91	$ 28.76	$ 30.79	$ 30.86
Bainbridge	18.92	19.43	20.85	20.42	21.81
Coventry	20.51	21.21	20.85	20.01	20.06
Colesville	245.38	261.50	276.14	261.61	263.92
Sanford	34.19	36.57	36.90	35.74	35.82

Source: District officials.

Tax Collection Procedure

School District taxes are due in early September. Taxes will be collected during the first thirty days with no penalty, during the second thirty days with a two percent penalty and for at least one day in November with a three percent penalty as approved by the Board so that uncollected taxes can be returned to the County Treasurers on November 15.

The District is reimbursed by the Counties for all unpaid taxes so that it is assured of 100% collection of its tax levy each year.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 4,454,136	$ 4,507,976	$ 4,611,901	$ 4,714,941	$ 4,758,486
Amount Uncollected (1)	561,346	578,716	574,125	602,035	554,968
% Uncollected	12.60%	12.84%	12.45%	12.77%	11.66%

(1) See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax & Tax Items
2016-2017	$ 14,633,123	$ 4,439,799	30.34%
2017-2018	15,602,241	4,482,104	28.73
2018-2019	16,136,062	4,534,659	28.10
2019-2020	15,503,262	4,639,381	29.93
2020-2021	15,579,403	4,743,414	30.45
2021-2022 (Budgeted)	16,204,456 (1)	4,766,663	29.42
2022-2023 (Budgeted)	17,401,313 (2)	4,861,833	27.94

(1) Does not include $363,566 of appropriated fund balance and reserves.
(2) Does not include $467,971 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2016-17 through 2020-21 fiscal years and adopted budgets for the 2021-22 and 2022-23 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2021 Assessment Roll for 2021-22 School District Tax Roll

Name	Type	Taxable Full Valuation
New York State Electric & Gas	Utility	$ 7,700,420
Norfolk Southern Railway	Railroad	4,733,659
State of New York	State Land	3,535,193
NY AIC FEE LLC	Commercial	1,538,462
Time Warner of Binghamton	Utility	1,455,411
Deposit Telephone Company	Utility	1,361,129
New York State People Of	New York State	1,333,699
Wagner Nineveh, Inc.	Commercial	1,235,038
Schuldt, William H.	Commercial	878,785
Blue Stone Gas Corp.	Utility	778,770

The larger taxpayers listed above have a total estimated full valuation of $24,550,566 that represents 10.34 % of the tax base of the School District.

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

Source: Town Assessment Rolls.

STAR – School Tax Exemption

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

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020-21 and $90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2020-21 school year and $70,700 for the 2021-22 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.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

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

The 2020-21 State Budget withheld STAR benefits to taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the 2021-22 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Afton	$ 48,690	$ 19,500	4/7/2022
Bainbridge	68,890	27,590	4/7/2022
Coventry	74,900	30,000	4/7/2022
Colesville	5,690	2,280	4/7/2022
Sanford	41,940	16,800	4/7/2022

$671,221 of the District's $4,758,486 school tax levy for 2021-2022 was exempt by the STAR Program. The District received all of such exempt taxes in January, 2022.

The District expects a similar amount of the school tax levy for 2022-2023 is expected to be exempt by the STAR Program. The District will receive all of such exempt taxes in January, 2023.

Additional Tax Information

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

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural – 3%, Residential –82%, New York State Land – 3%, and Commercial -12%.

The estimated total annual property tax bill of $100,000 market value residential property located in the School District is approximately $2,006 in School District taxes.

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 and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

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

The School District may contract indebtedness only for a school district purpose and shall pledge its faith and credit for the payment of the 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. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

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

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

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

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

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

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

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

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

The District has complied with this estoppel procedure in connection with the Notes.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending: June 30th:	2017	2018	2019	2020	2021
Bonds	$ 7,921,268	$ 7,420,545	$ 6,840,343	$ 6,322,332	$ 5,735,421
Bond Anticipation Notes	0	0	0	0	0
Tax and Revenue Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 7,921,268	$ 7,420,545	$ 6,840,343	$ 6,322,332	$ 5,735,421

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 22, 2022:

Type of Indebtedness	Maturity		Amount
Bonds	2022-2033		$ 5,021,404
Bond Anticipation Notes	July 15, 2022		10,000,000
		Total Indebtedness	$ 15,021,404

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 22, 2022:

Full Valuation of Taxable Real Property			$ 237,240,641
Debt Limit 10% thereof			23,724,064
Inclusions:			
Bonds	$ 5,021,404		
Bond Anticipation Notes	0		
Principal of the Notes	15,700,000		
Total Inclusions		$ 20,721,404	
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 20,721,404
Net Debt-Contracting Margin			$ 3,002,660
The percent of debt contracting power exhausted is			87.34%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2022-23 Preliminary Building Aid Ratios, the School District anticipates State building aid of 91.1% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Capital Project Plans

On June 16, 2020, the voters of the District approved a proposition to undertake the construction of improvements to and reconstruction of the Main School District building, including athletic field improvements, the acquisition of a parcel of land located at 1364 State Highway 7 and construction of a new bus garage thereon, at a maximum estimated cost of $19,200,000, and to expend $2,300,000 of unappropriated fund balance and $1,200,000 Capital Reserve Fund monies to pay a portion thereof (the "2020 Capital Project"). On September 3, 2020 the Board of Education adopted a bond resolution authorizing the issuance of up to $15,700,000 serial bonds to finance the 2020 Capital Project. The District issued $10,000,000 bond anticipation notes on July 15, 2021 to finance the 2020 Capital Project. The proceeds of the Notes will renew in full the $10,000,000 bond anticipation notes maturing July 15, 2022 and provide $5,700,000 new monies for the aforementioned purpose.

The District annually votes on the purchase of buses which are financed through the issuance of serial bonds. On May 17, 2022, the voters of the District approved the issuance of $265,000 for the purchase of school buses and transportation vehicles. The District expects to issue serial bonds in fall 2022 to finance the purchase of such buses and vehicles.

Other than as stated above, there are no other capital projects authorized or unissued by the District, nor are any contemplated at this time.

Cash Flow Borrowings

The District has not issued tax or revenue anticipation notes, nor deficiency or budget notes in the past five fiscal years, and does not anticipate the need to issue revenue or tax anticipation notes, or deficiency or budget 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 listed below of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Broome	12/31/2020	$ 167,980,064	$ 31,737,064	$ 136,243,000	0.42%	$ 572,221
Chenango	12/31/2020	-	-	-	8.12%	-
Town of:						
Afton	12/31/2020	-	-	-	85.72%	-
Bainbridge	12/31/2020	150,797	-	150,797	1.22%	1,840
Coventry	12/31/2020	-	-	-	55.83%	-
Colesville	12/31/2020	-	-	-	4.54%	-
Sanford	12/31/2020	1,175,000	-	1,175,000	12.12%	142,410
Village of:						
Afton	5/31/2021	-	-	-	100.00%	-
					Total:	$ 716,470

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

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties and towns and 2021 for villages.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 22, 2022:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness (c)	$ 20,721,404	$ 5,555.34	8.73%
Net Indebtedness Plus Net Overlapping Indebtedness (d)	21,437,874	5,747.42	9.04

(a) The 2020 estimated population of the District is 3,730. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for the 2021-22 fiscal year is $237,240,641. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary".
(d) Estimated net overlapping indebtedness is $716,470. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak of the disease affected travel, commerce and financial markets globally and was widely affected economic growth worldwide. The outbreak caused the federal government to declare a national state of emergency. The State also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and non-essential businesses reopened under guidelines issues by the State. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and intends to take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid", "State Aid History" herein).

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 alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel are set forth in "APPENDIX – D".

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

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

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

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

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

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel 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 the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry-only format, 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. The purchaser(s) of the Notes may choose to have a rating completed after the sale upon approval by the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to the Electronic Municipal Market Access Website which is required by the District's Continuing Disclosure Undertakings and may require supplementation of the final official statement. (See "APPENDIX – C, MATERIAL EVENT NOTICES" herein.)

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P Global") has assigned its underlying rating of "A+" with a stable outlook to the District's outstanding general obligation 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 S&P Global Ratings, 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 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 contact information is as follows: Kristyn DeGroat, School Business Manager, Afton Central School District, 29 Academy Street, PO Box 5, Afton, NY 13730, Phone: (607) 639-8239, Telefax: (607) 639-1801, Email: kdegroat@aftoncsd.org.

The District's Bond Counsel information is as follows: Douglas E. Goodfriend, Esq., Orrick Herrington & Sutcliffe, LLP, 51 West 52nd Street, 15th Floor. New York, New York 10019, Phone: (212) 506-5211, Fax: (212) 506-5151, Email: dgoodfriend@orrick.com

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

AFTON CENTRAL SCHOOL DISTRICT

Dated: June 22, 2022

MARYANN PALMETIER
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Cash and Cash Equivalents	$ 2,887,183	$ 4,106,282	$ 3,273,151	$ 4,153,819	$ 5,959,124
Restricted Cash	3,031,755	3,031,755	4,795,757	2,210,840	2,710,340
Accounts Receivable	-	-	-	-	-
State and Federal Aid Receivable	-	-	-	-	-
Due from Other Governments	536,165	633,475	683,067	604,403	724,150
Due from Other Funds	379,519	263,878	348,856	557,194	236,278
Other Receivables	59,149	151,931	154,974	89,690	31,716
TOTAL ASSETS	$ 6,893,771	$ 8,187,321	$ 9,255,805	$ 7,615,946	$ 9,661,608
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 72,093	$ 275,203	$ 140,809	$ 194,885	$ 314,582
Accrued Liabilities	221,369	286,010	239,135	194,024	319,823
Agency Liabilities	-	-	-	-	47,726
Due to Other Governments	700,000	700,000	-	-	-
Due to Teachers' Retirement System	566,756	466,092	506,412	427,691	477,075
Due to Employee Retirement System	69,510	67,717	69,069	66,345	74,787
Unearned Revenue	-	-	-	-	-
Due to Other Funds	127,391	70,936	60,312	460,000	393,954
TOTAL LIABILITIES	1,757,119	1,865,958	1,015,737	1,342,945	1,627,947
FUND EQUITY					
Restricted	$ 3,031,755	$ 3,031,755	$ 4,795,757	$ 2,210,840	$ 2,710,340
Unrestricted:					
Assigned	743,650	672,767	387,548	483,339	228,083
Unassigned	1,361,247	2,616,841	3,056,763	3,578,822	5,095,238
TOTAL FUND EQUITY	5,136,652	6,321,363	8,240,068	6,273,001	8,033,661
TOTAL LIABILITIES & FUND EQUITY	$ 6,893,771	$ 8,187,321	$ 9,255,805	$ 7,615,946	$ 9,661,608

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 3,616,470	$ 3,660,326	$ 3,730,123	$ 3,877,560	$ 4,012,944
Real Property Tax Items	823,329	821,778	804,536	761,821	730,470
Non-Property Tax Items	-	-	-	-	-
Charges for Services	51,356	158,516	151,830	4,584	3,356
Use of Money & Property	28,142	36,273	110,329	117,478	38,268
Sale of Property and Compensation for Loss	7,950	8,975	8,200	11,000	8,900
Miscellaneous	342,333	809,537	921,789	176,576	7,081
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	9,707,887	10,059,978	10,311,436	10,476,752	10,562,005
Revenues from Federal Sources	55,656	46,858	97,819	77,491	216,379
Total Revenues	$ 14,633,123	$ 15,602,241	$ 16,136,062	$ 15,503,262	$ 15,579,403
Other Sources:					
Interfund Transfers	-	-	-	-	403
Total Revenues and Other Sources	14,633,123	15,602,241	16,136,062	15,503,262	15,579,806
EXPENDITURES					
General Support	$ 2,277,290	$ 2,602,737	$ 2,587,894	$ 2,601,813	$ 2,680,547
Instruction	6,888,879	6,789,056	6,723,912	6,521,522	6,096,847
Pupil Transportation	671,823	689,585	628,216	621,770	613,989
Community Services	38,761	61,393	61,847	25,109	3,360
Employee Benefits	3,398,166	3,268,799	3,208,204	3,188,489	3,372,182
Debt Service	925,527	942,981	957,284	961,626	993,725
Total Expenditures	$ 14,200,446	$ 14,354,551	$ 14,167,357	$ 13,920,329	$ 13,760,650
Other Uses:					
Interfund Transfers	12,378	62,979	50,000	3,550,000	58,496
Total Expenditures and Other Uses	14,212,824	14,417,530	14,217,357	17,470,329	13,819,146
Excess (Deficit) Revenues Over Expenditures	420,299	1,184,711	1,918,705	(1,967,067)	1,760,660
FUND BALANCE					
Fund Balance - Beginning of Year	4,716,353	5,136,652	6,321,363	8,240,068	6,273,001
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 5,136,652	$ 6,321,363	$ 8,240,068	$ 6,273,001	$ 8,033,661

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2021			2022	2023
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 4,714,941	$ 4,714,941	$ 4,012,944	$ 4,758,486	$ 4,853,656
Real Property Tax Items	8,177	8,177	730,470	8,177	8,177
Non-Property Tax Items	-	-	-	-	-
Charges for Services	12,150	12,150	3,356	12,150	12,150
Use of Money & Property	25,000	25,000	38,268	25,000	25,000
Sale of Property and Compensation for Loss	2,500	2,500	8,900	2,500	2,500
Miscellaneous	71,400	71,400	7,081	71,400	71,400
Interfund Revenues	-	-	-	-	
Revenues from State Sources	11,023,480	11,023,480	10,562,005	11,326,743	12,428,430
Revenues from Federal Sources	-	167,109	216,379	-	-
Total Revenues	$ 15,857,648	$ 16,024,757	$ 15,579,403	$ 16,204,456	$ 17,401,313
Other Sources:					
Appropriated Reserves	141,008	141,008	-	162,400	165,000
Interfund Transfers	-	483,339	403	-	-
Total Revenues and Other Sources	15,998,656	16,649,104	15,579,806	16,366,856	17,566,313
EXPENDITURES					
General Support	$ 3,422,356	$ 3,062,005	$ 2,680,547	$ 3,098,240	$ 3,189,232
Instruction	7,042,366	7,530,733	6,096,847	7,282,477	7,831,640
Pupil Transportation	792,340	792,606	613,989	811,868	807,008
Community Services	98,499	98,499	3,360	97,999	97,999
Employee Benefits	4,075,471	4,113,040	3,372,182	4,223,199	4,059,354
Debt Service	993,725	993,725	993,725	1,054,239	1,884,051
Total Expenditures	$ 16,424,757	$ 16,590,608	$ 13,760,650	$ 16,568,022	$ 17,869,284
Other Uses:					
Interfund Transfers	50,000	58,496	58,496	-	
Total Expenditures and Other Uses	16,474,757	16,649,104	13,819,146	16,568,022	17,869,284
Excess (Deficit) Revenues Over Expenditures	(476,101)	-	1,760,660	(201,166)	(302,971)
FUND BALANCE					
Fund Balance - Beginning of Year	476,101	-	6,273,001	201,166	302,971
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 8,033,661	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	$ 886,017	$ 118,721.56	$ 1,004,738.23
2023	902,004	101,560.35	1,003,564.35
2024	859,400	83,101.57	942,501.57
2025	830,000	65,963.25	895,963.25
2026	785,000	50,431.00	835,431.00
2027	740,000	35,671.75	775,671.75
2028	235,000	21,368.75	256,368.75
2029	240,000	16,375.00	256,375.00
2030	250,000	10,975.00	260,975.00
2031	60,000	4,725.00	64,725.00
2032	60,000	3,225.00	63,225.00
2033	60,000	1,650.00	61,650.00
TOTALS	$ 5,907,421	$ 513,768	$ 6,421,189

CURRENT BONDS OUTSTANDING
(as of June 17, 2021)

Fiscal Year Ending June 30th	2016 SIB Buses		
	Principal	Interest	Total
2022	$ 12,562	$ 327	$ 12,889
TOTALS	$ 12,562	$ 327	$ 12,889

Fiscal Year Ending June 30th	2016 Capital Project			2016 SIB Buses		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 640,000	$ 102,169	$ 742,169	21,951	$ 527	$ 22,478
2023	655,000	89,369	744,369	-	-	-
2024	665,000	76,269	741,269	-	-	-
2025	680,000	62,969	742,969	-	-	-
2026	695,000	49,369	744,369	-	-	-
2027	705,000	35,469	740,469	-	-	-
2028	235,000	21,369	256,369	-	-	-
2029	240,000	16,375	256,375	-	-	-
2030	250,000	10,975	260,975	-	-	-
2031	60,000	4,725	64,725	-	-	-
2032	60,000	3,225	63,225	-	-	-
2033	60,000	1,650	61,650	-	-	-
TOTALS	$ 4,945,000	$ 473,931	$ 5,418,931	$ 21,951	$ 527	$ 22,478

Fiscal Year Ending June 30th	2017 SIB Buses			2018 SIB Buses		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 55,604	$ 2,524	$ 58,128	$ 44,400	$ 4,702	$ 49,102
2023	55,604	$ 1,262	56,866	44,400	3,135	47,535
2024	-	-	-	44,400	1,567	45,967
TOTALS	$ 111,208	$ 3,787	$ 114,995	$ 133,200	$ 9,404	$ 142,604

Fiscal Year Ending June 30th	2019 Buses			2020 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 60,000	$ 4,140	$ 64,140	$ 51,500	$ 4,333	$ 55,833
2023	60,000	$ 3,150	63,150	55,000	2,511	57,511
2024	60,000	2,070	62,070	55,000	2,002	57,002
2025	60,000	750	60,750	55,000	1,331	56,331
2026	-		-	55,000	481	55,481
TOTALS	$ 240,000	$ 10,110	$ 250,110	$ 271,500	$ 10,658	$ 282,158

Fiscal Year Ending June 30th	2021 Buses		
	Principal	Interest	Total
2022	$ -	$ -	$ -
2023	32,000	2,134	34,134
2024	35,000	1,194	36,194
2025	35,000	914	35,914
2026	35,000	581	35,581
2027	35,000	203	35,203
TOTALS	$ 172,000	$ 5,025	$ 177,025

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 Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (as defined 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 Notes.

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

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

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

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

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

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

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

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FORM OF BOND COUNSEL'S OPINION

July 14, 2022

Afton Central School District
Chenango and Broome Counties
State of New York

Re: Afton Central School District, Chenango and Broome Counties, New York
$15,700,000 Bond Anticipation Notes, 2022

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $15,700,000 Bond Anticipation Notes, 2022 (the "Obligation"), of the Afton Central School District, Chenango and Broome Counties, New York (the "Obligor"), dated July 14, 2022, numbered 1, of the denomination of $15,700,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing June 29, 2023.

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 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

AFTON CENTRAL SCHOOL DISTRICT
CHENANGO AND BROOME COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2021

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

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

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

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

Independent Auditor's Report

Board of Education
Afton Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Afton Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Afton Central School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Afton Central School District's preparation and fair presentation of the financial statements 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 Afton Central School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Afton Central School District, as of June 30, 2021, 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.

New Accounting Standard

As discussed in Notes 1 and 15 to the financial statements, the District changed accounting policies related to the accounting and reporting of fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*. The new pronouncement changes the criteria used to determine which government activities are considered fiduciary and provides guidance on accounting and reporting for the fiduciary activities identified. Our opinion is not modified with respect to this matter.

Other-Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Afton Central School District's basic financial statements. The other supplementary information on pages 51 through 53 is presented for purposes of additional analysis as required by New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information 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 November 30, 2021, on our consideration of Afton 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 Afton 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 Afton Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

November 30, 2021

Rome, New York

The Afton Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- The District's total Net Position, as reflected in the District-wide financial statements, increased by $1,014,456.

- The current total net position totals $25,934,555.

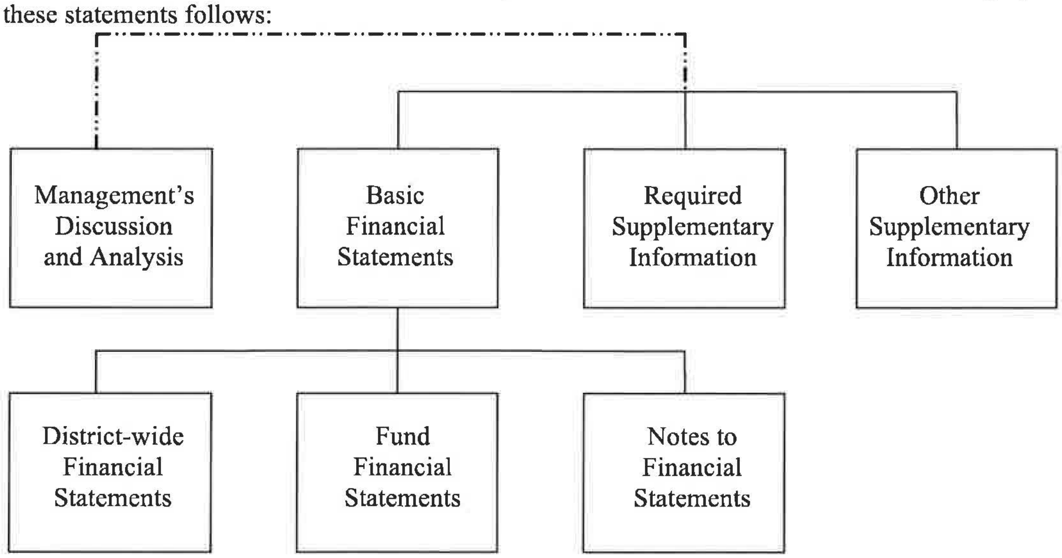
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $16,132,740. Of this amount, $18,446 was offset by program charges for services, and $1,461,263 was offset by operating grants to support instruction and food service programs. General revenues of $15,667,487 amount to 91.4% of total revenues. These revenues funded the remaining program expenses.

- State and federal revenue increased by $224,141 to $10,778,384 in 2021 from $10,554,243 in 2020, primarily due to an increase in foundation aid.

- The General Fund's total fund balance, as reflected in the fund financial statements on pages 14 and 16, increased by $1,760,660 to $8,033,661. Of this total, $2,710,340 is restricted for specific purposes. The increase was due to an excess of revenues over expenditures based on the modified accrual basis of accounting.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

B. Fund Financial Statements

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

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

Governmental Funds

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

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

The District maintains six individual governmental funds, General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The Districts total Net Position increased by $1,014,456 to $25,934,555 between fiscal year 2021 and 2020. A summary of the District's Statement of Net Position for June 30, 2021 and 2020, is as follows:

	2021	Restated 2020	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	$ 11,447,423	$ 11,192,305	$ 255,118	2.3%
Capital Assets, (Net of Accumulated Depreciation)	25,186,082	23,493,297	1,692,785	7.2%
Total Assets	36,633,505	34,685,602	1,947,903	5.6%
Deferred Outflow of Resources				
OPEB	1,151,437	1,567,725	(416,288)	(26.6%)
Pensions	3,994,706	3,378,904	615,802	18.2%
Total Deferred Outflows	5,146,143	4,946,629	199,514	4.0%
Total Assets and Deferred Outflows	$ 41,779,648	$ 39,632,231	$ 2,147,417	5.4%
Liabilities				
Current and Other Liabilities	$ 3,115,582	$ 2,496,141	$ 619,441	24.8%
Non-Current Liabilities	10,202,868	11,216,697	(1,013,829)	(9.0%)
Total Liabilities	13,318,450	13,712,838	(394,388)	(2.9%)
Deferred Inflow of Resources				
OPEB	361,081		361,081	
Pensions	2,165,562	999,294	1,166,268	116.7%
	2,526,643	999,294	1,527,349	
Net Position				
Net Investment in Capital Assets	19,723,465	19,150,218	573,247	3.0%
Restricted	3,855,336	5,391,233	(1,535,897)	(28.5%)
Unrestricted	2,355,754	378,648	1,977,106	522.1%
Total Net Position	25,934,555	24,920,099	1,014,456	4.1%

Current and other assets increased by $255,118, as compared to the prior year. This was mostly due to an increase in cash of $713,519 due to an excess of revenues over expenditures in the governmental funds, offset by a decrease in the net pension asset for the Teachers' Retirement System.

Capital assets, net of accumulated depreciation, increased by $1,692,785, as compared to the prior year. This increase is due to capital outlays exceeding depreciation and loss on sale in the current year. Note 7 to the Financial Statements provide additional information.

Deferred outflows of resources increased by $199,514, as compared to the prior year which was primarily the result of an increase in deferred outflows related to the New York State Employees' Retirement and Teachers' Retirement Systems, offset by a decrease in deferred outflows related to OPEB.

Current and other liabilities increased $619,441, as compared to the prior year. This is primarily due to the increase in accounts payable in the capital fund of $788,932.

Non-current liabilities decreased by $1,013,829, as compared to the prior year. This decrease is primarily the result of a decrease in the OPEB liability due to changes in actuarial assumptions.

Deferred inflows of resources increased by $1,527,349 as compared to the prior year which was primarily a result of an increase in deferred inflows related to the New York State Employees' Retirement and Teachers' Retirement Systems combined with an increase in deferred inflows related to OPEB.

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

The Restricted Net Position at June 30, 2021 is $3,855,336, which represents the amount of the District's reserves in the General Fund and other restricted funds in the Miscellaneous Special Revenue Fund and Debt Service Fund.

The Unrestricted Net Position at June 30, 2021 is $2,355,754, which represents the amount by which the District's assets and deferred outflows other than capital assets, exceeded the District's liabilities and deferred inflows, excluding debt related to capital construction.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows.

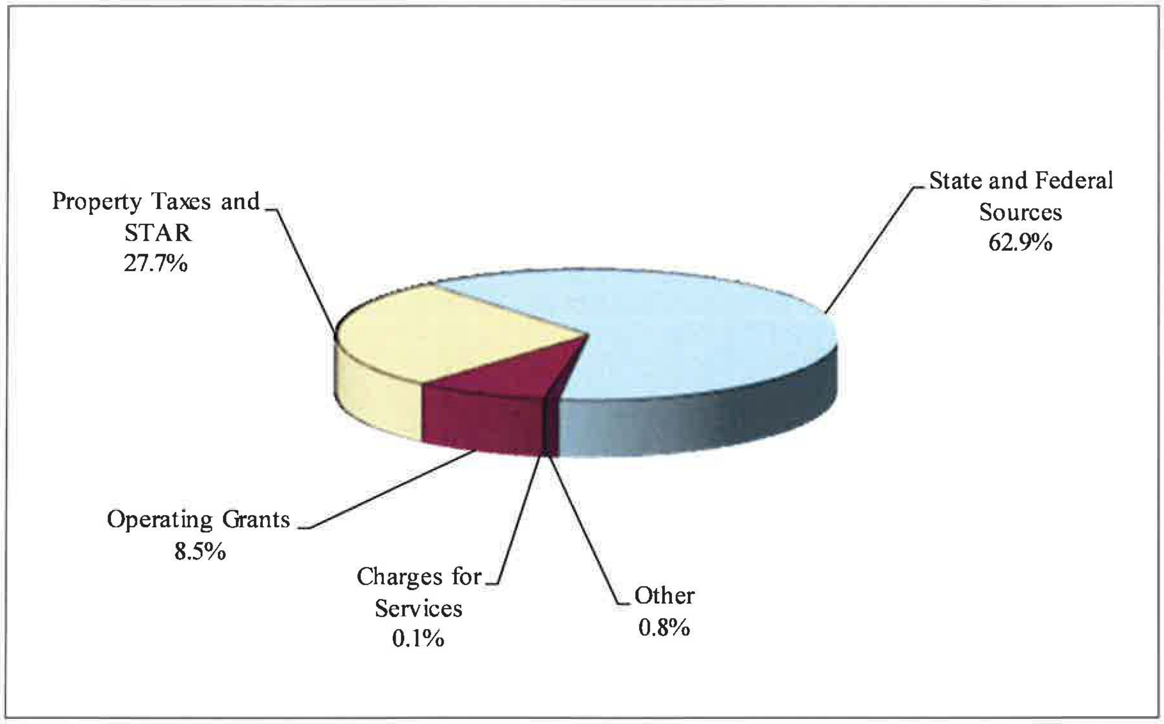
Revenues	2021	2020	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 18,446	$ 32,867	$ (14,421)	(43.9%)
Operating Grants	1,461,263	1,121,710	339,553	30.3%
General Revenues				
Property Taxes and STAR	4,743,414	4,639,381	104,033	2.2%
State and Federal Sources	10,778,384	10,554,243	224,141	2.1%
Other	145,689	249,187	(103,498)	(41.5%)
Total Revenues	17,147,196	16,597,388	549,808	3.3%
Expenses				
General Support	2,764,440	3,411,785	(647,345)	(19.0%)
Instruction	11,787,620	11,449,993	337,627	2.9%
Pupil Transportation	927,236	1,108,236	(181,000)	(16.3%)
Community Service	3,360	25,109	(21,749)	(86.6%)
Debt Service-Unallocated Interest	126,338	141,288	(14,950)	(10.6%)
Food Service Program	523,746	541,979	(18,233)	(3.4%)
Total Expenses	16,132,740	16,678,390	(545,650)	(3.3%)
Total Change in Net Position	$ 1,014,456	$ (81,002)	$ 1,095,458	

The District's revenues increased by $549,808 in 2021 or 3.3%. The major factors that contributed to this increase was an increase in state aid and federal sources of $224,141 due to an increase in BOCES aid and an increase in operating grants of $339,553 in the School Lunch Fund and Special Aid Fund.

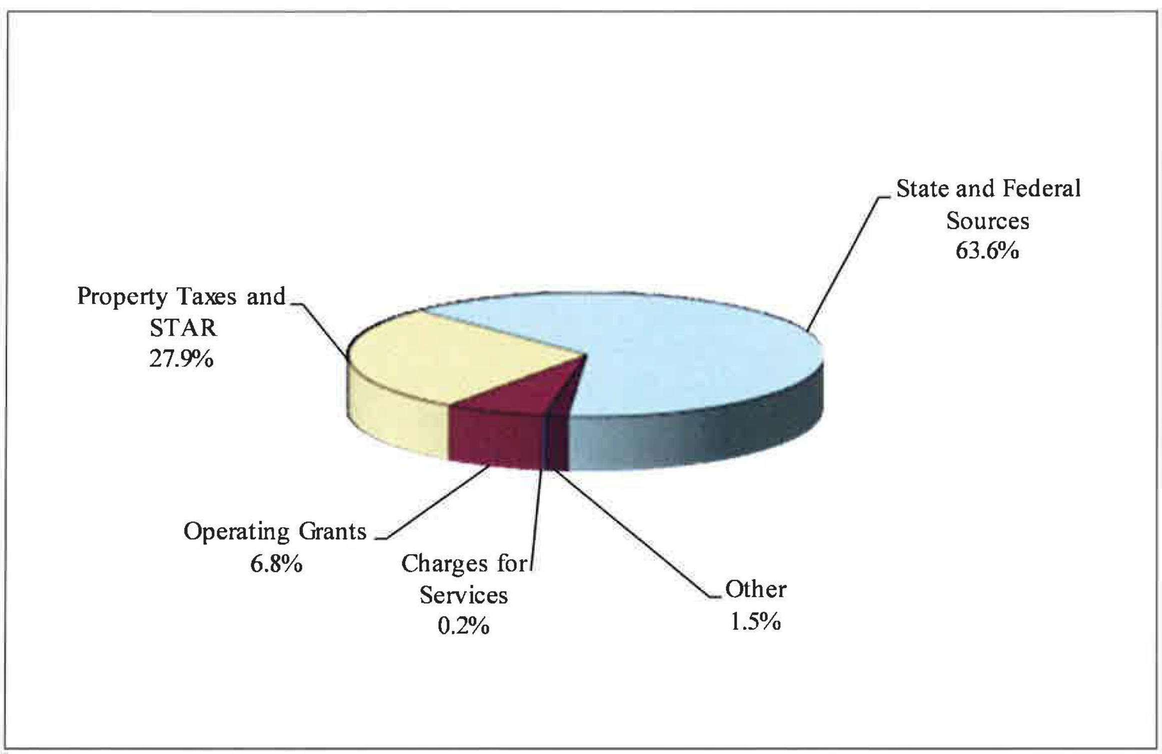
The District's expenses for the year decreased by $545,650 or 3.3%. The major factor contributing to the overall stability of current year versus prior year expenses is the watchful spending on behalf of the District. The majority of the decrease is in general support and transportation expenses.

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

For the Year Ended June 30, 2021



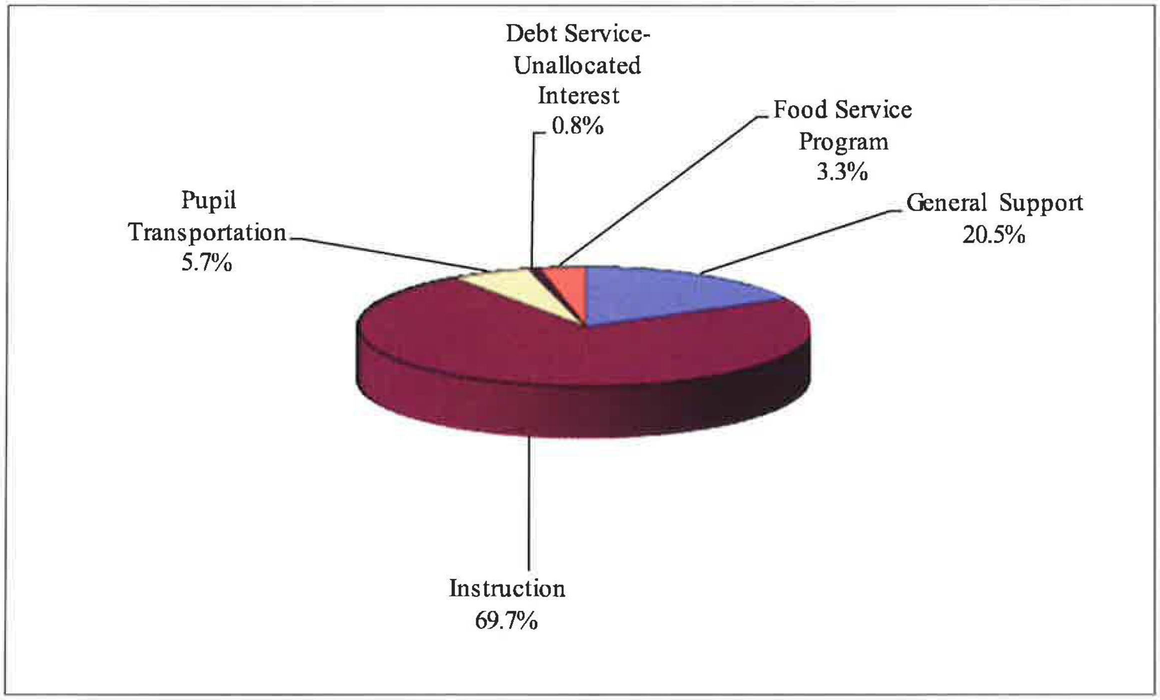
For the Year Ended June 30, 2020



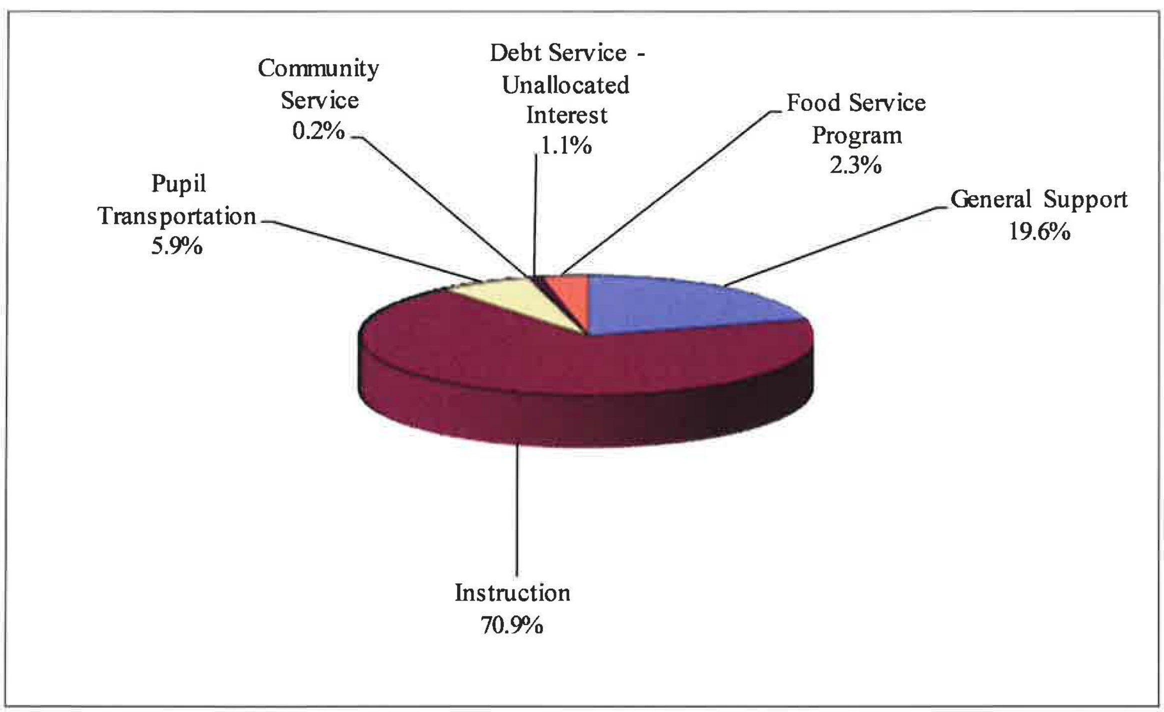
(Continued)

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

For the Year Ended June 30, 2021



For the Year Ended June 30, 2020



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

At June 30, 2021, the District's governmental funds reported a combined fund balance of $9,088,203, which is a decrease of $697,509 over the prior year. This decrease is primarily the result of the excess in expenditures over revenues in the Capital Fund. A summary of the change in fund balance by fund is as follows:

General Fund	2021	Restated 2020	Increase (Decrease)
Restricted			
Workers' Compensation	$ 160,000	$ 160,000	$
Employee Benefit Accrued Liability	953,500	850,000	103,500
Employees' Retirement Contribution Reserve - ERS	867,241	767,241	100,000
Employees' Retirement Contribution Reserve - TRS	186,000	90,000	96,000
Unemployment Insurance	143,599	143,599	
Liability	400,000	200,000	200,000
Total Restricted	2,710,340	2,210,840	499,500
Assigned			
General Support	4,000	6,391	(2,391)
Instruction	9,168	581	8,587
Pupil Transportation	550	266	284
Employee Benefits	13,200		13,200
Appropriated for Subsequent Year's Budget	201,165	476,101	(274,936)
Total Assigned	228,083	483,339	(255,256)
Unassigned	5,095,238	3,578,822	1,516,416
Total General Fund	8,033,661	6,273,001	1,760,660
School Lunch Fund			
Nonspendable	16,115	17,917	(1,802)
Assigned	7,111	52,898	(45,787)
Total School Lunch Fund	23,226	70,815	(47,589)
Speical Aid Fund			
Assigned	8,496		8,496
Total Special Aid Fund	8,496		8,496
Miscellaneous Special Revenue Fund			
Restricted	344,131	261,503	82,628
Total Miscellaneous Special Revenue Fund	344,131	261,503	82,628
Debt Service Fund			
Restricted	800,865	795,141	5,724
Total Debt Service Fund	800,865	795,141	5,724
Capital Fund			
Restricted		2,385,252	(2,385,252)
Unassigned (Deficit)	(122,176)		(122,176)
Total Capital Fund (Deficit)	(122,176)	2,385,252	(2,507,428)
Total Fund Balance	$ 9,088,203	$ 9,785,712	$ (697,509)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's General Fund adopted budget for the year ended June 30, 2021, was $16,641,866. This is an increase of $263,869 from the prior year's adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was $4,723,118 in estimated property taxes and STAR and State Aid in the amount of $11,023,480.

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

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

Opening, Unassigned Fund Balance	$	3,578,822
Revenues, Transfers, and Appropriated Reserves under Budget		(585,959)
Expenditures and Encumbrances under Budget		2,803,040
Net Increase to Restricted Funds		(499,500)
Appropriated for June 30, 2022 Budget		(201,165)
Closing, Unassigned Fund Balance	$	5,095,238

Opening, Unassigned Fund Balance

The $3,578,822 shown in the table is the portion of the District's June 30, 2020 fund balance that was retained as unassigned. This was 21.72% of the District's 2020-2021 approved operating budget.

Revenues and Appropriated Reserves Under Budget

The 2020-2021 budget for revenues and appropriated reserves was $16,165,765. The actual revenues received for the year were $15,579,806. The actual revenue was under the estimated or budgeted revenue and appropriated reserves by $585,959. This variance contributes directly to the change to the unassigned portion of the General Fund balance from June 30, 2020 to June 30, 2021.

Expenditures and Encumbrances Under Budget

The 2020-2021 budget for expenditures and transfers was $16,649,104. The actual expenditures and encumbrances were $13,846,064. The final budget was under expended by $2,803,040. This under expenditure contributes to the change to the unassigned portion of the General Fund balance from June 30, 2020 to June 30, 2021.

Appropriated Fund Balance

The District has appropriated $228,083 of its available June 30, 2021, fund balance to partially fund its 2021-2022 approved operating budget. The appropriated amount includes encumbrances of $26,918.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2021-2022 fiscal year with an unassigned fund balance of $5,095,238. This is an increase of $1,516,416 from the unassigned balance from the prior year as of June 30, 2020. This is 30.93% of the District's approved operating budget for 2021-2022.

6. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2021, the District had invested in a broad range of capital assets, including land, construction in progress, buildings and improvements and equipment. The net increase in capital assets is due to capital additions exceeding depreciation recorded for the year ended June 30, 2021.

A summary of the District's capital assets net of accumulated depreciation at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Land	$ 128,208	$ 128,208	$
Construction in Progress	3,622,176	1,114,748	2,507,428
Buildings and Improvements	20,099,058	20,972,579	(873,521)
Furniture, Equipment, and Vehicles	1,336,640	1,277,762	58,878
Capital Assets, Net	$ 25,186,082	$ 23,493,297	$ 1,692,785

A. Debt Administration

At June 30, 2021, the District had total bonds payable of $5,735,419. A summary of the outstanding bonds at June 30, 2021 and 2020 is as follows:

Issue Date	Interest Rate	2021	2020	Increase (Decrease)
Bonds				
9/11/2015	2.94%		40,895	(40,895)
8/22/2016	2.60%	12,560	25,122	(12,562)
10/11/2016	2.40%	21,952	43,902	(21,950)
10/17/2017	2.27%	111,208	166,812	(55,604)
9/21/2018	3.53%	133,200	177,600	(44,400)
10/9/2019	1.5-2.5%	240,000	298,000	(58,000)
10/1/2020	.5-1.75%	271,500		271,500
6/22/2016	1.5%-2.75%	4,945,000	5,570,000	(625,000)
Total		$ 5,735,420	$ 6,322,331	$ (586,911)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Even though New York State has made an effort to make school funding more equitable amongst schools than in previous years, the aid package for Afton Central School is still not enough to keep up with the rising costs of health insurance, retirement, and utilities, leaving educational improvements as secondary to those areas that are not in the district's control. The challenge the District faced again in this budget year was how to provide a solid, complete educational program with the amount of state aid available and with the property tax cap, which this year was at 0.92%.

The School District's 2021-2022 budget of $16,568,022 was approved by the voters and maintains most of the current programs, while reallocating some of the resources to meet new challenges. A continued use of fund balance was needed to maintain the current level of programs for the 2021-2022 school year. Although, the unanticipated federal funds allowed for savings in the General Fund expenditures, increasing the Fund Balance, thus offsetting some of the costs needed to maintain the level of programs. With said expenditures, the District examines each employee's departure for necessity of replacement or greater staffing efficiencies to ensure that quality of education is sustained and improved.

The Board of Education and administration strive to be fiscally responsible to the community while also continuing to provide and improve upon a quality education for students. This task continues to be extremely challenging, especially going into the 2021-2022 school year with all the unknowns of the COVID Pandemic.

8. CONTACTING THE DISTRICT

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

Afton Central School District
P.O. Box 5
Afton, NY 13730

AFTON CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

Assets		
Cash and Cash Equivalents	$	5,966,160
Restricted Cash and Cash Equivalents		3,921,630
Investments		206,508
Receivables		
Due from Other Governments		1,305,294
Other Receivables		31,716
Inventory		16,115
Capital Assets Not Being Depreciated		3,750,384
Capital Assets (Net of Accumulated Depreciation)		21,435,698
Total Assets		36,633,505
Deferred Outflows of Resources		
Deferred Outflow-OPEB		1,151,437
Deferred Outflow - Pensions		3,994,706
Total Deferred Outflows of Resources		5,146,143
Total Assets and Deferred Outflows	$	41,779,648
Liabilities		
Accounts Payable	$	1,110,618
Accrued Liabilities		393,820
Due To		
Other Governments		272
Teachers' Retirement System		477,075
Employees' Retirement System		74,787
Retainage Percentages Payable		47,726
Unearned Revenue		271,829
Net Pension Liability - Proportionate Share		739,455
Noncurrent Liabilities		
Due Within One Year		
Bonds Payable		858,411
Deferred Premium on Bond		5,278
Due in More Than One Year		
Compensated Absences		978,792
Bonds Payable		4,877,009
Deferred Premium on Bond		58,050
Other Postemployment Benefits		3,425,328
Total Liabilities		13,318,450
Deferred Inflows of Resources		
Deferred Inflow - OPEB		361,081
Deferred Inflow - Pensions		2,165,562
Total Deferred Inflows of Resources		2,526,643
Net Position		
Net Investment in Capital Assets		19,723,465
Restricted		3,855,336
Unrestricted		2,355,754
Total Net Position		25,934,555
Total Liabilities, Deferred Inflows of Resources, and Net Position	$	41,779,648

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

AFTON CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

		Program Revenues		Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 2,764,440	$	$	$ (2,764,440)
Instruction	11,787,620	3,356	1,134,129	(10,650,135)
Pupil Transportation	927,236			(927,236)
Community Service	3,360			(3,360)
Debt Service - Unallocated Interest	126,338			(126,338)
Food Service	523,746	15,090	327,134	(181,522)
Total Functions/Programs	$ 16,132,740	$ 18,446	$ 1,461,263	(14,653,031)
General Revenues				
Real Property Taxes				4,012,944
STAR and Other Real Property Tax Items				730,470
Use of Money and Property				105,714
Sale of Property and Compensation for Loss				8,900
State and Federal Sources				10,778,384
Miscellaneous				31,075
Total General Revenues				15,667,487
Change in Net Position				1,014,456
Net Position, Beginning of Year				24,658,596
Cumulative Effect of Change in Accounting Principle				261,503
Net Position, Beginning of Year (Restated)				24,920,099
Net Position, End of Year				$ 25,934,555

AFTON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	$ 5,959,124	$ 2,471	$ 4,565	$	$	$	$ 5,966,160
Restricted Cash and Cash Equivalents	2,710,340			137,623		1,073,667	3,921,630
Investments				206,508			206,508
Receivables							
Due from Other Governments	724,150	69,308	511,836				1,305,294
Due from Other Funds	236,278				800,865	393,954	1,431,097
Other Receivables	31,716						31,716
Inventory		16,115					16,115
Total Assets	$ 9,661,608	$ 87,894	$ 516,401	$ 344,131	$ 800,865	$ 1,467,621	$ 12,878,520
Liabilities							
Payables							
Accounts Payable	$ 314,582	$ 5,483	$ 1,621	$	$	788,932	$ 1,110,618
Accrued Liabilities	319,823	31,765	25,325				376,913
Agency Liabilities	47,726						47,726
Due To							
Other Governments		272					272
Other Funds	393,954	27,148	209,130			800,865	1,431,097
Teachers' Retirement System	477,075						477,075
Employees' Retirement System	74,787						74,787
Unearned Revenue			271,829				271,829
Total Liabilities	1,627,947	64,668	507,905			1,589,797	3,790,317
Fund Balance							
Fund Balance							
Nonspendable		16,115					16,115
Restricted	2,710,340			344,131	800,865		3,855,336
Assigned	228,083	7,111	8,496				243,690
Unassigned (Deficit)	5,095,238					(122,176)	4,973,062
Total Fund Balance	8,033,661	23,226	8,496	344,131	800,865	(122,176)	9,088,203
Total Liabilities and Fund Balance	$ 9,661,608	$ 87,894	$ 516,401	$ 344,131	$ 800,865	$ 1,467,621	$ 12,878,520

AFTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2021

Total Governmental Fund Balances		$ 9,088,203
The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
	Original Cost of Capital Assets	47,564,707
	Accumulated Depreciation	(22,378,625)
		25,186,082
Proportionate share of long-term asset and liability associated with participation in a state retirement system are not current financial resources or obligations and are not reported in the funds.		
	Deferred Outflows - Pensions	3,994,706
	Net Pension Liability - Proportionate Share	(739,455)
	Deferred Inflows - Pensions	(2,165,562)
		1,089,689
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
	Deferred Outflows- OPEB	1,151,437
	Deferred Inflows - OPEB	(361,081)
	Bonds Payable	(5,735,420)
	Accrued Interest on Bonds Payable	(16,907)
	Unamortized Premium on Bonds Payable	(63,328)
	Other Postemployment Benefits	(3,425,328)
	Compensated Absences Payable	(978,792)
		(9,429,419)
Total Net Position		$ 25,934,555

AFTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	$ 4,012,944	$	$	$	$	$	$ 4,012,944
STAR and Other Real Property Tax Items	730,470						730,470
Charges for Services	3,356						3,356
Use of Money and Property	38,268			61,722	5,724		105,714
Sale of Property and Compensation for Loss	8,900						8,900
Miscellaneous	7,081	78		23,916			31,075
State Aid	10,562,005	42,095	280,094				10,884,194
Federal Aid	216,379	285,039	854,035				1,355,453
School Lunch Sales		15,090					15,090
Total Revenues	15,579,403	342,302	1,134,129	85,638	5,724		17,147,196
Expenditures							
General Support	2,680,547		2,475			2,507,428	5,190,450
Instruction	6,096,847		1,119,244	3,010			7,219,101
Pupil Transportation	613,989					271,097	885,086
Community Service	3,360						3,360
Food Service Program		314,896					314,896
Employee Benefits	3,372,182	124,995	12,410				3,509,587
Debt Service - Principal	858,411						858,411
Debt Service - Interest	135,314						135,314
Total Expenditures	13,760,650	439,891	1,134,129	3,010		2,778,525	18,116,205
Excess (Deficit) Revenues Over Expenditures	1,818,753	(97,589)		82,628	5,724	(2,778,525)	(969,009)
Other Financing Sources (Uses)							
Proceeds of Debt						271,500	271,500
Transfers from Other Funds	403	50,000	8,496				58,899
Transfers to Other Funds	(58,496)					(403)	(58,899)
Total Other Financing Sources (Uses)	(58,093)	50,000	8,496			271,097	271,500
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	1,760,660	(47,589)	8,496	0	5,724	(2,507,428)	(697,509)
Fund Balance, Beginning of Year	6,273,001	70,815			795,141	2,385,252	9,524,209
Cumulative Effect of Change in Accounting Principle				261,503			261,503
Fund Balance, Beginning of Year (Restated)	6,273,001	70,815		261,503	795,141	2,385,252	9,785,712
Fund Balance (Deficit), End of Year	$ 8,033,661	$ 23,226	$ 8,496	$ 344,131	$ 800,865	$ (122,176)	$ 9,088,203

AFTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net Changes in Fund Balance - Total Governmental Funds			$ (697,509)
Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expense in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation expense in the period.			
	Depreciation Expense	(1,126,871)	
	Capital Outlays	2,819,656	1,693,188
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position.			
	Bond Proceeds	(271,500)	
	Unspend Bond Proceeds	(403)	
	Amortization of Bond Premium	5,278	
	Repayment of Bond Principal	858,412	591,787
Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Change in Accrued Interest on Bonds	3,698	
	Change in Compensated Absences	100,888	
	Change in Other Postemployment Benefits Liability, Including Deferred Outflows	(195,115)	(90,529)
Changes in the proportionate share of the net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources, and therefore, are not reported as revenues or expenditures in the governmental funds.			
	Teachers' Retirement System	(574,013)	
	Employees' Retirement System	91,532	(482,481)
Change in Net Position Governmental Activities			$ 1,014,456

AFTON CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	$ 43,509
Net Position	
Restricted for Extraclassroom Activities	$ 43,509

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

AFTON CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2021

	Custodial Fund
Additions	
Club Fundraising Activities	44,405
Deductions	
Club Activities	44,527
Change in Net Position	(122)
Net Position, Beginning of Year	0
Cumulative Effect of a Change in Accounting Principle	43,631
Net Position, Beginning of Year (Restated)	43,631
Net Position, End of Year	$ 43,509

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

(a) Extraclassroom Activity Funds

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

Joint Venture

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

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

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

Basis of Presentation

(a) District-Wide Statements

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

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

(b) Fund Financial Statements

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

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

Special Revenue Funds: These funds account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are two classes of special revenue funds:

Special Aid Fund: This fund accounts for and reports the proceeds of Federal and State grants.

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

Miscellaneous Special Revenue Fund: This fund is used to account for and report transactions of the School District's programs funded by local grants and donations. The District has both custody and administrative control over the various programs.

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

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

(c) Fiduciary Funds

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

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

Measurement Focus and Basis of Accounting

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

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

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

Estimates

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

Investments

Investments held by the School District are stated at fair value. Changes in the fair value of the investments and interest in dividends are reported as investment income.

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to October 31. Uncollected real property taxes are subsequently enforced by the counties of Chenango and Broome. An amount representing uncollected real property taxes transmitted to the counties for enforcement is paid by the counties to the School District no later than the forthcoming April 1.

Receivables

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

Interfund Transactions

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 11 to the financial statements.

Inventories

Inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, donated by the U.S. Department of Agriculture, at the government's assigned stated value, which approximates market. A reserve inventory has been recognized to indicate that this does not constitute available spending resources. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of $1,500, (the dollar value above which asset acquisitions are added to the capital asset accounts) and is depreciated using the straight–line method. Estimated useful lives of capital assets reported in the District-wide statements are as follows:

Furniture, Equipment, and Vehicles	5–20 Years
Buildings and Improvements	20–40 Years

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has 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 period between the District's contributions and its proportionate share of total contributions not included in pension expense. The second relates to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change between the actual and expected experience, and changes of assumptions and other inputs.

Vested Employee Benefits - Compensated Absences

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

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

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

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

Other Benefits

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

In addition to providing pension benefits, the School District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 10).

Unearned Revenue

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

Unearned revenues recorded in governmental funds are generally not recognized in the District-wide statements.

Accrued Liabilities and Long-Term Obligations

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

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability(asset) 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 other postemployment benefits (OPEB) reporting in the District-wide Statement of Net Position

Equity classifications

(a) District-wide Financial Statements

In the District-wide statements there are three classes of Net Position:

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

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

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

(b) Fund Statements

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

Non-spendable

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

Restricted Resources

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

- ***Reserve for Workers' Compensation***

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

- ***Reserve for Employee Benefit Accrued Liability***

  The purpose of this account is to reserve funds for the payment of any accrued employee benefit due an employee upon termination service. This reserve fund may be established by a majority vote of the board of education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

- ***Reserve for Employees' Retirement Contribution***

  According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the

Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

- ***Reserve for Unemployment Insurance***

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

- ***Reserve for Liability***

  This reserve is used to accumulate funds to pay liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. This reserve is accounted for in the General Fund.

- ***Debt Service Fund***

  This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds, interest, and earnings on the temporary investment of debt proceeds.

- ***Reserve for Endowments and Scholarships***

  This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

(c) Unrestricted Resources

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

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2021.

- ***Assigned*** – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund net assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(d) Order of Use of Fund Balance

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

(e) New Accounting Standard

GASB Statement No. 84 – Fiduciary Activities was implemented effective July 1, 2020. The District previously accounted for payroll withholdings and related items, and other items in a Trust and Agency Fund. These items are now required to be reported in the governmental funds. In addition, certain scholarships were accounted for in an Expendable Trust Fund, and are now reported in a Miscellaneous Special Revenue fund. Due to the District's administrative involvement over this fund, the new standard requires this fund to be accounted for in the governmental funds. The District also uses the Custodial Fund to account for Extraclassroom activities.

(f) Future Change in Accounting Standards

- GASB Statement No. 87 – Leases Effective for the year ended June 30, 2022

The School District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

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

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

Total Fund Balances of Governmental Funds Compared to Net Position of Governmental Activities

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

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

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

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Employee Benefit Allocation

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

(e) Pension Differences

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

(f) OPEB Differences

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

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

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

At June 30, 2021, the School District's unassigned fund balance was 30.93% of the 2021-2022 budget per page 51.

Budgetary Procedures and Budgetary Accounting

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

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

Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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 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 were not determined at the time the budget was adopted.

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

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

Encumbrances

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

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

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

As of June 30, 2021, the School District had bank balances of $10,192,031 of which $9,554,536 was fully insured by the FDIC through reciprocal deposits agreements. The balance of $637,495 was exposed to credit risk and collateralized by securities held by an agent of the pledging financial institution in the School District's name.

Restricted Cash and Cash Equivalents

As of June 30, 2021, restricted cash and cash equivalents of $2,710,340 in the General Fund represents the following:

Workers Compensation Reserve	$ 160,000
Liability Reserve	400,000
Reserve for Employee Benefit Liability	953,500
Employees' Retirement Contribution Reserve - ERS	867,241
Employees' Retirement Contribution Reserve - TRS	186,000
Unemployment Insurance Reserve	143,599
Total	$ 2,710,340

Restricted cash of $137,623 in the Miscellaneous Special Revenue Fund represents various expendable trust funds held by the District for scholarship and awards.

Restricted cash of $1,073,667 in the Capital Fund represents the amount due to the Debt Service Fund and amounts restricted for capital projects.

5. INVESTMENTS

Investments are stated at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Common Stock and US Treasury Note: Fair values of securities traded on a national securities exchange are based on the last reported sales price on the last business day of the year.

The investments in securities are carried at fair value and are categorized as such by the School District in the Private Purpose Trust Fund. Market value is used as fair value for these securities for which market quotations are readily available. The net change in the unrealized gain or loss is recorded as use of money and property. The Level 1 investments as of June 30, 2021, are as follows:

Description	Quantity	Cost	Fair Value	Gain (Loss)
JP Morgan Chase & Co Common Stock	969	$ 39,041	$ 150,717	$ 111,676
US Treasury Note 2.0% Due 8/15/2025	53,000	53,450	55,791	2,341
Total		$ 92,491	$ 206,508	$ 114,017

6. PARTICIPATION IN BOCES

During the year, the School District was billed $2,528,880 for BOCES' administrative and program costs. The School District's share of BOCES' aid amounted to $1,030,178.

During the year ended June 30, 2021, the School District issued no debt on behalf of BOCES. However, during 2007, the BOCES issued $47,755,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. During 2015 the BOCES refunded the bond. The BOCES paid $2,410,000 of the outstanding balance during the year. The outstanding balance at June 30, 2021, was $23,725,000.

Financial statements for the BOCES are available from the Delaware-Chenango BOCES' administrative office located in Norwich, New York.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 128,208	$	$	$ 128,208
Construction in Progress	1,114,748	2,507,428		3,622,176
Total	1,242,956	2,507,428		3,750,384
Capital Assets Being Depreciated				
Buildings and Improvements	36,775,540			36,775,540
Furniture, Equipment and Vehicles	6,726,555	312,228		7,038,783
Total	43,502,095	312,228		43,814,323
Accumulated Depreciation				
Buildings and Improvements	15,802,961	873,521		16,676,482
Furniture, Equipment and Vehicles	5,448,793	253,350		5,702,143
Total	21,251,754	1,126,871		22,378,625
Net Capital Assets Being Depreciated	22,250,341	(814,643)		21,435,698
Net Capital Assets	$ 23,493,297	$ 1,692,785	$	$ 25,186,082

Depreciation expense of $1,126,871 was allocated to the following functions:

Function/Program		
General Support	$	307,259
Instruction		698,856
Pupil Transportation		70,333
School Lunch		50,423
Total Depreciation	$	1,126,871

8. NONCURRENT LIABILITIES

Noncurrent liability balances and activity are as follows for the year ended June 30, 2021:

Description	Beginning Balance	Issued	Paid	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds Payable	$ 5,570,000	$	$ 625,000	$ 4,945,000	$ 625,000
Statutory Installment Bonds	752,331	271,500	233,411	790,420	233,411
Premium on Bond	68,606		5,278	63,328	5,278
Other Liabilities					
Other Postemployment Benefits	3,746,080		320,752	3,425,328	
Compensated Absences	1,079,680		100,888	978,792	
Total Noncurrent Liabilities	$ 11,216,697	$ 271,500	$ 1,285,329	$ 10,202,868	$ 863,689

The General Fund has typically been used to liquidate noncurrent liabilities through budget appropriations.

Serial Bonds and Statutory Installment Bonds

The School District borrows money in order to acquire land, equipment or buses, 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, which are full faith and credit of the local government, are recorded in the General Long-Term Debt Account Group. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

The following is a schedule of bonds outstanding with corresponding maturity schedules:

Bonds Payable/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Buses	8/22/2016	$ 62,808	8/21/2021	2.60%	$ 12,560
Buses	10/11/2016	107,755	10/10/2021	2.40%	21,952
Buses	10/17/2017	278,019	10/17/2022	2.27%	111,208
Buses	9/21/2018	221,905	9/21/2024	3.53%	133,200
Buses	10/9/2019	298,000	10/8/2025	1.5-2.5%	240,000
Buses	10/1/2020	271,500	10/1/2025	.5-1.75%	271,500
Capital Improvement Serial Bond	6/22/2016	7,970,000	6/15/2033	1.5%-2.75%	4,945,000
Total					$ 5,735,420

Year Ending June 30,	Bonds Payable Principal	Interest	Total
2022	$ 886,015	$ 118,722	$ 1,004,737
2023	870,005	99,427	969,432
2024	824,400	81,908	906,308
2025	795,000	65,050	860,050
2026	750,000	49,850	799,850
2027-2031	1,490,000	88,913	1,578,913
2032-2033	120,000	4,875	124,875
Total	$ 5,735,420	$ 508,745	$ 6,244,165

Interest expense on the District-wide financial statements for long term debt is calculated as follows:

Interest Paid in 2021	$ 135,314
Less: Interest Accrued in the Prior Year	(20,605)
Amortization of Bond Premium	(5,278)
Plus: Interest Accrued in the Current Year	16,907
Total Interest Expense on Long-Term Debt	$ 126,338

Special Provisions Affecting Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest of the Bonds, 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 Bonds.

Premium on Bonds

The original issue premiums on bonds has been deferred and recorded as an addition to long-term liabilities on the District-Wide financial statements. The premiums are being amortized using the straight-line method over 16 years, the remaining time to maturity of the respective bond issue. The current year amortization is $5,278 and is included as a reduction to interest expense on the statement of activities.

Deferred Premium from Issuance of Debt	$ 89,718
Less: Accumulated Amortization	(26,390)
Net Unamortized Premium	$ 63,328

Debt Limit

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

Compensated Absences

Compensated absences represent the value of earned and unused portion of the liability for earned vacation and sick leave.

9. PENSION PLANS

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

(a) Plan Description

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

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was reelected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 but before April 1, 2012 are required to contribute 3% of their annual salary for their entire working career. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2021, were paid.

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

		Amount
2019	$	278,168
2020	$	252,225
2021	$	263,207

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

At June 30, 2021, the District reported a liability of $6,020 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the District's proportion was .0060460% which is an increase of .0004068% from its proportion share of .0056392% at June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of $550,273. At June 30, 2021, 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
Differences between expected and actual experience	$ 73,523	$
Change of assumptions	1,106,928	20,877
Net difference between projected and actual earnings on Pensions plan investments		1,729,368
Changes in proportion and differences between contributions and proportionate share of contributions	106,127	14,676
Contributions subsequent to the measurement date	74,787	
Total	$ 1,361,365	$ 1,764,921

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

Year ended June 30:		
2022	$	(69,739)
2023	$	(8,352)
2024	$	(79,189)
2025	$	(321,063)

(d) Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020 with update procedures used to roll forward the total pension liability to March 31, 2021.

Significant actuarial assumptions used in the April 1, 2020 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	4.40%
Cost of Living Adjustment	1.30%
Inflation rate	2.70%

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

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

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below.

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic equity	32.00%	4.05%
International equity	15.00%	6.15%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/Absolute return strategies	3.00%	3.25%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed Income	23.00%	0.00%
Cash	1.00%	0.05%
	100.00%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

(e) Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (assets)	$ 1,670,987	$ 6,020	$ (1,529,468)

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The District has recorded an amount due to ERS in amount of $74,787, at June 30, 2021. This amount represents the three months of the District's fiscal year that will be covered in the ERS 2021-2022 billing cycle and has been recorded as a liability in the current year.

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

(a) Plan Description

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

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

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

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

		Amount
2019	$	426,791
2020	$	467,960
2021	$	399,149

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

At June 30, 2021, the District reported a liability of $733,435 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

The District's proportion was .026542%, as of June 30, 2020, an increase of .000143 from its proportion measured as of June 30 2019 of .026399%.

For the year ended June 30, 2021, the District recognized pension expense of $989,447. At June 30, 2021, 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
Differences between expected and actual experience	$ 642,636	$ 37,587
Changes of assumptions	927,625	330,650
Net difference between projected and actual earnings on Pensions plan investments	478,997	
Changes in proportion and differences between contributions and proportionate share of contributions	140,796	32,404
Contributions subsequent to the measurement date	443,287	
Total	$ 2,633,341	$ 400,641

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

Year ended June 30:		
2021	$	315,782
2022	$	606,827
2023	$	502,910
2024	$	313,822
2025	$	17,038
Thereafter	$	33,034

(d) Actuarial Assumptions

The total pension liability at June 30, 2020 measurement date was determined by using an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020.

Significant actuarial assumptions used in the June 30, 2019 valuation are as follows:

Investment Rate of Return	7.10 % compounded annually, net of pension plan investment expense, including inflation
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience. experience.

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Projected COLAs	1.3% compounded annually.
Inflation rate	2.2%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scales MP2019, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the June 30, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equities	33.0%	7.1%
International equities	16.0%	7.7%
Global equities	4.0%	7.4%
Real estate equities	11.0%	6.8%
Private Equities	8.0%	10.4%
Domestic fixed income	16.0%	1.8%
Global bonds	2.0%	1.0%
High-yield bonds	1.0%	3.9%
Private debt	1.0%	5.2%
Real estate debt	7.0%	3.6%
Cash Equivalents	1.0%	0.7%
	100.0%	

** Real rates of return are net of the long-term inflation assumption of 2.2% for 2020.*

(f) Discount Rate

The discount rate used to calculate the total pension (asset)/liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Proportionate share of the net pension liability (assets)	$ 4,632,857	$ 733,435	$ (2,539,168)

(h) Pension Plan Fiduciary Net Position

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

(i) Payables to the Pension Plan

The District has recorded an amount due to TRS in the amount of $443,287 (excluding employees' share) in the General Fund at June 30, 2021. This amount represents contributions for the 2020-2021 fiscal year that will be made in 2021-2022 and has been recorded as a liability in the current year.

10. POSTRETIREMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District administers the payment of postemployment healthcare benefits for the School District (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The Plan provides for continuation of medical, dental, and vision benefits for eligible retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements as follows:

- Plan Types – The School District provides medical benefits to its eligible retirees. The benefits are provided through fully insured plans that are sponsored by a regional health insurance consortium. Benefits end at age 65.
- Eligibility – Employees are required to reach age 55 and provide between 10 and 15 years of service to the District to qualify for other postemployment benefits.
- Benefit Cost Sharing – The School District pays 50% of the retiree's medical benefits depending on the employee group.
- Spouse Benefit – Spouse benefits are limited to survivor benefits and do not begin until the retiree is deceased. These benefits will end at age 65.
- Surviving Spouse Benefit – Surviving beneficiaries pay may continue coverage after the death of the retired employee and will be required to contribute 50% of the cost.

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

(b) Benefits Provided

The obligations of the Plan members, employers, and other entities are established by action of the School District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended June 30, 2021, the School District's Plan contributions equaled 50% of the required annual premiums. The District's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the School District. The following table shows the components of the School District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the School District's net OPEB obligation.

(c) Employees Covered by Benefit Terms

	Total
Inactive employees currently receiving benefit payments	20
Active employees	107
Total	127

(d) Total OPEB Liability

The District's total OPEB liability of $3,425,328 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

(e) Changes in the Net OPEB Liability

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

	Total OPEB Liability
Balances, June 30, 2020	$ 3,746,080
Changes recongnized for the year:	
Service cost	179,762
Interest on Total OPEB Liability	84,720
Effect of Demographic Gains and Losses	(221,482)
Differences Between Expected and Actual Experience	(178,011)
Benefit payments	(185,741)
Net changes	(320,752)
Balances, June 30, 2021	$ 3,425,328

(f) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Current Assumption (2.16%)	1% Increase (3.16%)
Total OPEB liability	$ 3,670,369	$ 3,425,328	$ 3,188,293

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.1 percent – 3.1 percent) or 1-percentage-point higher (7.1 percent – 5.1 percent) than the current healthcare cost trend rate:

	1% Decrease (4.3%-3.1%)	Current Assumption (5.3%-4.1%)	1% Increase (6.3%-5.1%)
Total OPEB liability	$ 3,022,650	$ 3,425,328	$ 3,904,229

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

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the School District recognized OPEB expense of $380,855. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 70,169	$ 200,186
Changes of assumptions or other inputs	1,081,268	160,895
Total	$ 1,151,437	$ 361,081

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

Year ended June 30:	Amount
2022	$ 116,373
2023	$ 116,373
2024	$ 116,373
2025	$ 116,373
2026	$ 116,373
Thereafter	$ 208,491

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to June 30, 2020, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2020
Measurement Date	June 30, 2021
Reporting Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal - Level Percent of Salary
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.60%
Wage Inflation	2.60%
Healthcare Cost Trend Rates	5.30% - 4.10%
Discount Rate	2.16%
Mortality	Mortality rates were based on PubT-2010 Headcount for Teachers and PubG-2010 for Non-teaching positions adjusted to the Total Dataset Mortality Table projected to the valuation date with Scale MP-2019.

Discount Rate – The selected discount rate of 2.16% is based on the 2020 S&P Municipal Bond 20 Year High Grade Rate Index. The discount rate of 2.16% in 2021 decreased .05% from 2.21% in 2020.

Cash Flows – The cash flows into and out of the Plan are expected to be consistent with the above assumptions and Plan descriptions of participant contributions.

11. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 236,278	$ 393,954	$ 403	$ 58,496
School Lunch		27,148	50,000	
Special Aid		209,130	8,496	
Debt Service	800,865			
Capital Fund	393,954	800,865		403
Total	$ 1,431,097	$ 1,431,097	$ 58,899	$ 58,899

- Interfund receivables and payables are considered temporary. The School District intends to repay the amounts within the next fiscal year.
- Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.
- The School District transferred $50,000 from the General Fund to the School Lunch Fund to partially fund their operating deficit in the School Lunch Fund.
- The School District transferred $8,496 from the General Fund to the Special Aid Fund for local share of summer school program.

12. RISK MANAGEMENT

General Information

The School 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.

Risk Financing and Related Insurance

(a) Health Insurance Plan

The Afton Central School District incurs costs related to an employee health insurance plan sponsored by the Broome-Tioga-Delaware County Board of Cooperative Educational Services (BOCES) and its component districts. The Plan is organized under Article 5-G of the General Municipal Law of New York State. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. During the year ended June 30, 2021, the District incurred premiums and/or contribution expenses of $2,069,399.

Financial statements for the Broome-Tioga-Delaware County BOCES Health Insurance Consortium are available from its office located at 1 Marine Plaza, Binghamton, New York 13901.

(b) Worker's Compensation Insurance Plan

The School District participates in a Worker's Compensation Alliance which includes seven school districts. The Afton Central School District bears approximately a 3.4% share of the plan's assets and claim liabilities. During the year ended June 30, 2021, the School District incurred premiums or contribution expenditure of $89,631. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Certain required disclosures are not presented because information on an individual School District is unavailable from the Alliance.

(c) Other Risks

The School District continues to maintain commercial insurance policies for all other risks of loss such as general liability.

13. FUND BALANCE

The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
Workers' Compensation	$ 160,000	$	$	$ 160,000
Liability Reserve	200,000	200,000		400,000
Unemployment Insurance Reserve	143,599			143,599
Employees' Retirement Contribution Reserve - ERS	767,241	100,000		867,241
Employees' Retirement Contribution Reserve - TRS	90,000	96,000		186,000
Employee Benefit Accrued Liability	850,000	103,500		953,500
Total General Fund Restricted	$ 2,210,840	$ 499,500	$	$ 2,710,340

The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Nonspendable	$	$ 16,115	$	$	$	$	$ 16,115
Restricted							
Workers' Compensation Reserve	160,000						160,000
Liability Reserve	400,000						400,000
Employee Benefit Accrued Liability Reserve	953,500						953,500
Employees' Retirement Contribution Reserve - ERS	867,241						867,241
Employees' Retirement Contribution Reserve - TRS	186,000						186,000
Insurance Reserve	143,599						143,599
Miscellaneous Special Revenue				344,131			344,131
Debt Service Fund					800,865		800,865
Total Restricted	2,710,340			344,131	800,865		3,855,336
Assigned							
School Lunch Fund		7,111					7,111
Special Aid Fund			8,496				8,496
Encumbrances	26,917						26,917
Appropriated for Subsequent Year's Budget	201,166						201,166
Total Assigned	228,083	7,111	8,496				243,690
Unassigned (Deficit)	5,095,238					(122,176)	4,973,062
Total Fund Equity (Deficit)	$ 8,033,661	$ 23,226	$ 8,496	$ 344,131	$ 800,865	$ (122,176)	$ 9,088,203

14. COMMITMENTS AND CONTINGENCIES

Potential Grantor Liability

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

Construction Commitments

At June 30, 2021, the School District had an ongoing capital project. The total voter and Board of Education authorization for this project is $19,200,000. The School District has not entered into any construction contracts for the project amount. The district has expended $2,507,428 in incidental costs.

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, Special Revenue Fund, and Capital Projects Fund. At June 30, 2021, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance. The Capital Projects Fund had outstanding encumbrances at June 30, 2021. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance. Significant encumbrances included in governmental fund balances are as follows:

	Assigned General
Encumbrances	
General Support	$ 4,000
Instruction	22,368
Transportation	550
Total Encumbrances	$ 26,918

15. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The following adjustments were made to the prior year's net position and fund balance due to the implementation of GASB 84, Fiduciary Accounting:

The Government-wide and Miscellaneous Special Revenue Fund's prior year's net position and fund balance were increased by $261,503 for donated revenues for scholarships and awards administrated by the District previously accounted for in the Fiduciary Fund, Private Purpose Trust.

The Fiduciary Custodial Fund is a new fund required by the new accounting standard. The beginning net position was increased by $43,631. This beginning balance consisted of extraclassroom activity funds held by the District but administered by student clubs within the District.

16. CAPITAL FUND DEFICIT

Capital Fund

The District's Capital Fund had a deficit fund balance of $122,176 at June 30, 2021. The deficit will be eliminated when the current appropriations are financed with long term debt.

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	$ 4,714,941	$ 4,714,941	$ 4,012,944	$ (701,997)
STAR and Other Real Property Tax Items	8,177	8,177	730,470	722,293
Charges for Services	12,150	12,150	3,356	(8,794)
Use of Money and Property	25,000	25,000	38,268	13,268
Sale of Property and Compensation for Loss	2,500	2,500	8,900	6,400
Miscellaneous	71,400	71,400	7,081	(64,319)
State Aid	11,023,480	11,023,480	10,562,005	(461,475)
Federal Aid	167,109	167,109	216,379	49,270
Total Revenues	16,024,757	16,024,757	15,579,403	(445,354)
Other Financing Sources				
Transfers from Other Funds			403	403
Appropriated Reserves	141,008	141,008		(141,008)
Appropriated Fund Balance	483,339	483,339		(483,339)
Total Revenues and Other Financing Sources	$ 16,649,104	$ 16,649,104	15,579,806	$ (1,069,298)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 5,600	$ 5,600	$ 2,233	$	$ 3,367
Central Administration	234,729	234,729	224,413		10,316
Finance	426,743	426,743	407,638		19,105
Staff	140,000	140,000	108,968		31,032
Central Services	1,821,884	1,825,884	1,514,922	4,000	306,962
Special Items	429,049	429,049	422,373		6,676
Total General Support	3,058,005	3,062,005	2,680,547	4,000	377,458
Instruction					
Instruction, Administration, and Improvement	370,882	522,429	517,399		5,030
Teaching - Regular School	3,202,626	3,202,408	2,973,690	40	228,678
Programs for Children With Special Needs	2,085,521	1,934,191	1,081,503		852,688
Occupational Education	460,175	460,175	460,175		
Teaching - Special School	102,080	102,080	10,933		91,147
Instructional Media	546,658	542,658	440,494	145	102,019
Pupil Services	766,791	766,792	612,656	22,183	131,953
Total Instruction	7,534,733	7,530,733	6,096,850	22,368	1,411,515
Pupil Transportation	792,606	792,606	613,989	550	178,067
Community Services	98,499	98,499	3,360		95,139
Employee Benefits	4,121,536	4,113,040	3,372,179		740,861
Debt Service - Principal	858,411	858,411	858,411		
Debt Service - Interest	135,314	135,314	135,314		
Total Expenditures	16,599,104	16,590,608	13,760,650	26,918	2,803,040
Other Financing Uses					
Transfers to Other Funds	50,000	58,496	58,496		
Total Expenditures and Other Financing Uses	$ 16,649,104	$ 16,649,104	13,819,146	$ 26,918	$ 2,803,040
Net Change in Fund Balance			1,760,660		
Fund Balance - Beginning of Year			6,273,001		
Fund Balance - End of Year			$ 8,033,661		

Notes to Required Supplementary Information:

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

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

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2021

	2021	2020	2019	2018
Service cost	$ 179,762	$ 149,535	$ 116,834	$ 124,580
Interest	84,720	121,547	65,475	65,445
Effect of Demographic Gains and Losses	(221,482)		93,522	
Differences between expected and actual experience		264,847	1,224,946	5,310
Changes in assumptions or other inputs	(178,011)			
Expected benefit payments	(185,741)	(224,229)	(262,153)	(112,178)
Net change in total OPEB liability	(320,752)	311,700	1,238,624	83,157
Total OPEB liability - beginning of year	3,746,080	3,434,380	2,195,756	2,112,599
Total OPEB liability - ending of year	$ 3,425,328	$ 3,746,080	$ 3,434,380	$ 2,195,756
Covered employee payroll	$4,693,028	$4,850,138	$4,850,138	$6,889,538
Total OPEB liability as a percentage of covered payroll	72.99%	77.24%	70.81%	31.87%

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

Notes to Required Supplementary Information:

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

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB Liability are described in Note 10 to the financial statements.

Actuarial Assumptions

The discount rate is 2.16%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer Obligation 20-Bond Municipal Index.
The discount rate of 2.16% in 2021 decreased .05% from 2.21% in 2020.

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2021

ERS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 263,207	$ 252,225	$ 278,168	$ 268,355	$ 274,937	$ 310,766	$ 316,456	$ 320,942	$ 299,456	$ 256,168
Contributions in Relation to the Contractually Required Contribution	263,207	252,225	278,168	268,355	274,937	310,766	316,456	320,942	299,456	256,168
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 1,895,117	$ 1,852,955	$ 1,881,384	$ 1,842,915	$ 1,814,943	$ 1,679,716	$ 1,570,205	$ 1,550,874	$ 1,635,427	$ 1,628,223
Contributions as a Percentage of Covered-Employee Payroll	13.89%	13.61%	14.79%	14.56%	15.15%	18.50%	20.15%	20.69%	18.31%	15.73%

TRS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 399,149	$ 467,960	$ 426,791	$ 426,749	$ 534,008	$ 615,672	$ 792,316	$ 675,795	$ 480,555	$ 437,975
Contributions in Relation to the Contractually Required Contribution	399,149	467,960	426,791	426,749	534,008	615,672	792,316	675,795	480,555	$ 437,975
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 4,188,342	$ 5,281,716	$ 4,018,748	$ 4,354,582	$ 4,556,382	$ 4,643,077	$ 4,519,772	$ 4,158,738	$ 4,058,742	$ 3,942,169
Contributions as a Percentage of Covered-Employee Payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%	11.11%

See Independent Auditor's Report

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2021

ERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Asset/Liability	0.0060460%	0.0056392%	0.0058857%	0.0055571%	0.0060571%	0.0061060%	0.0055032%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (6,020)	$ (1,493,284)	$ (417,019)	$ (179,353)	$ (569,140)	$ (980,036)	$ (185,913)
District's Covered-Employee Payroll	$ 1,895,117	$ 1,852,955	$ 1,881,384	$ 1,842,915	$ 1,814,943	$ 1,679,716	$ 1,570,205
District's Proportionate Share of the Net Pension Asset (Liability) as a percentage of its Covered-Employee Payroll	0.32%	80.59%	22.17%	9.73%	31.36%	58.35%	11.84%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	99.95%	86.39%	96.27%	99.0%	94.7%	90.7%	97.9%

TRS Pension Plan

	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Asset/Liability	0.026542%	0.026399%	0.026736%	0.028753%	0.030089%	0.030089%	0.028154%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (733,435)	$ 685,844	$ 483,459	$ 218,554	$ (322,269)	$ 3,125,284	$ 3,136,145
District's Covered-Employee Payroll	$ 5,281,716	$ 4,018,748	$ 4,354,582	$ 4,556,382	$ 4,643,077	$ 4,519,772	$ 4,158,738
District's Proportionate Share of the Net Pension Asset (Liability) as a percentage of its Covered-Employee Payroll	13.89%	17.07%	11.10%	4.80%	(6.94%)	69.15%	75.41%
Plan Fiduciary Net Position as a percentage of Total Pension Asset/Liability	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND SECTION 1318 OF THE REAL PROPERTY TAX LAW
For the Year Ended June 30, 2021

Change from Adopted Budget to Revised Budget		
Adopted Budget		$ 16,641,866
Add: Prior Year's Encumbrances		7,238
Original Budget		16,649,104
Final Budget		$ 16,649,104
Section 1318 of Real Property Tax Law Limit Calculation		
2021 - 22 Voter-Approved Expenditure Budget		$ 16,474,757
Maximum allowed (4% of 2021-22 budget)		$ 658,990
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	228,083	
Unassigned fund balance	5,095,238	
Total unrestricted fund balance	5,323,321	
Less:		
Appropriated Fund Balance	201,165	
Encumbrances included in assigned fund balance	26,918	
Total adjustments	228,083	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 5,095,238
Actual Percentage		30.93%

See Independent Auditor's Report

AFTON CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures - Capital Project Fund
For the Year Ended June 30, 2021

			Expenditures				Methods of Financing				Fund Balance
PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	(Deficit) June 30, 2021
Buses 2020-2021	$ 271,500	$ 271,097	$	$ 271,097	$ 271,097	$	$ 271,500	$	$	$ 271,500	$ 403
District Renovations - 2020	19,200,000	19,200,000	1,114,748	2,507,428	3,622,176	15,577,824			3,500,000	3,500,000	(122,176)
Total	$ 30,721,905	$ 30,721,021	$ 11,974,803	$ 2,778,525	$ 14,753,328	$ 15,967,693	$ 9,879,791	$ 533,858	$ 4,217,906	$ 14,631,555	(121,773)
										Transfer to General	(403)
										Total Fund Balance	$ (122,176)

AFTON CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2021

Capital Assets, Net	$ 25,186,082
Add:	
Capital Fund Cash	1,073,667
Total Additions	1,073,667
Deduct:	
Due to Debt Service Fund (In Capital Fund)	800,865
Serial Bonds Payable	4,945,000
Statutory Installment Bonds	790,419
Total Deductions	6,536,284
Net Investment in Capital Assets	$ 19,723,465

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

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

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Education
Afton 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 Afton Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Afton 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 Afton Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Afton 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Afton 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 purposes.

D'Arcangelo + Co., LLP

November 30, 2021

Rome, New York

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

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

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

Board of Education
Afton Central School District

Report on Compliance for Each Major Federal Program

We have audited Afton 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 Afton Central School District's major federal programs for the year ended June 30, 2021. Afton 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Afton Central School District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Afton Central School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Afton Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Afton 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, 2021.

Report on Internal Control Over Compliance

Management of Afton Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Afton Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Afton Central School District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

D'Arcangelo + Co., LLP

November 30, 2021

Rome, New York

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Current Year Expenditures	Expenditures To Subrecipients
U.S. Department of Agriculture				
(Passed Through the New York State Education Department - Pass through number 080101040000)				
Child Nutrition Cluster				
Summer Food Service Program	10.559	N/A	259,162	
Cash Assistance Subtotal			259,162	
Food Donation (Noncash)	10.555	N/A	25,877	
Total U.S. Department of Agriculture (Total Child Nutrition Cluster)			285,039	
U.S. Department of Education				
(Passed Through New York State Department of Education)				
Title I Grants to Local Educational Agencies	84.010	0011-20-2010	42,627	
Title I Grants to Local Educational Agencies	84.010	0011-21-2010	235,692	
Title I Grants to Local Educational Agencies	84.010	0021-21-0425	156,033	
School Improvement Grants	84.010	0011-21-2310	22,336	
Total			456,688	
Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-21-0123	267,899	
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-21-0123	3,809	
Total Special Education Cluster (IDEA)			271,708	
Title IV- SSAE Allocation	84.424	0204-20-0425	6,734	
Title IV- SSAE Allocation	84.424	0204-21-0425	10,846	
Total			17,580	
Rural Education, Title VB	84.358	0006-20-0425	29,795	
	84.358	0006-21-0425	23,985	
Total			53,780	
Improving Teacher Quality State Grants (Title II A)	84.367	0147-21-0425	11,159	
Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act				
Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5890-21-0425	96,826	
Governor's Emergency Education Relief Fund (GEER)	84.425C	5895-21-0425	24,218	
			121,044	
Total U.S. Department of Education			931,959	
Total Federal Financial Assistance			$ 1,216,998	$

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

AFTON CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Afton Central School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Use of Subrecipients

There were no awards passed through to subrecipients.

Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2021, the School District had food commodities totaling $6,646 in inventory.

De Minimis Indirect Cost Rate

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

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2021

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	U.S Department of Agriculture **Nutrition Cluster:** CFDA #10.559 National Summer Food Services Program CFDA #10.555 National School Lunch Program (Noncash) U.S. Department of Education **Special Education Cluster:** CFDA #84.027 IDEA, Part B (611) CFDA #84.173 IDEA, Part B (619)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

(Continued)

AFTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2021

Findings – Financial Statement Audit

None noted.

Findings and Questioned Costs – Major Federal Award Programs

None noted.

AFTON CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2021

Findings – Financial Statement Audit

None noted.

Findings and Questioned Costs – Major Federal Award Programs

None noted.