PRELIMINARY OFFICIAL STATEMENT DATED MAY 30, 2023

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, 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"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, 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). See "Tax Matters" herein regarding certain other tax considerations.

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

$13,000,000
AVERILL PARK CENTRAL SCHOOL DISTRICT
RENSSELAER COUNTY, NEW YORK

$13,000,000 Bond Anticipation Notes, 2023
(the "Notes")

Dated: June 21, 2023 **Due: June 21, 2024**

The Notes are general obligations of the Averill Park Central School District, Rensselaer County, New York (the "School District" or "District"). All the taxable real property within such School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. The faith and credit of the District are irrevocably pledged for the payment of the Notes and the interest thereon. See "TAX INFORMATION – Tax Levy Limitation Law" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes in book-entry-only form or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the offices of the School District. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, 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 with the purchaser(s) on or about June 21, 2023.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 6, 2023 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June ____, 2023

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

AVERILL PARK CENTRAL SCHOOL DISTRICT

RENSSELAER COUNTY, NEW YORK

2022-2023 BOARD OF EDUCATION

JESSICA ZWEIG
President

SAMANTHA HICKS
Vice President

JACQUELINE GERACI
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* * *

DR. JAMES FRANCHINI
Superintendent of Schools

CARRIE NYC-CHEVRIER
Assistant Superintendent for Business

LINDA FITZPATRICK
School District Clerk

CATINA RILEY
School District Treasurer

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

BARCLAY DAMON LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

AVERILL PARK CENTRAL SCHOOL DISTRICT

RENSSELAER COUNTY, NEW YORK

Relating To

$13,000,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page, has been prepared by the Averill Park Central School District, Rensselaer County, New York (the "District" or the "School District", "County", and "State", respectively) in connection with the sale by the School District of $13,000,000 aggregate principal amount of Bond Anticipation Notes, 2023 (herein referred to as the "Notes").

The factors affecting the School 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 School 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 School 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 School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

DESCRIPTION OF THE NOTES

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "TAX INFORMATION – Tax Levy Limitation Law" herein.

The Notes will be dated June 21, 2023 and mature, without option of prior redemption, on June 21, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) registered form registered in the name of the purchaser(s), with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate, and the School District will act as paying agent; or (ii) at the option of the purchaser(s), as book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Nature of the Obligation

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

Holders of any series of notes or bonds of the School 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 School District and will contain a pledge of the faith and credit of the School 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 School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School 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"). 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 School 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 School 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.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, a proposition approved by the qualified voters on October 12, 2021 and a bond resolution adopted by the Board of Education on February 28, 2022 authorizing the issuance of an amount not to exceed $28,527,000 serial general obligation bonds to finance the reconstruction of various District buildings, facilities and site work, acquisition of original furnishings, equipment, machinery, or apparatus required for the purpose for which such buildings and facilities are to be used and the payment of incidental expenses related thereto. The proceeds of the Notes along with $700,000 available funds of the District will partially redeem and renew $6,550,000 currently outstanding bond anticipation notes maturing June 22, 2023 and provide $7,150,000 new monies for the above mentioned project.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes, if the purchaser so elects. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, 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 a purchaser of the Notes elect to have the Notes issued in certificated form or if 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 the option of the purchaser at the offices of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York. Paying Agent fees, if any, shall be the responsibility of the purchaser. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The School District is located in central Rensselaer County within a twenty minute drive of the Cities of Albany and Troy. The School District encompasses an area of approximately 120 square miles. The School District includes portions of the Towns of Berlin, Brunswick, East Greenbush, Nassau, North Greenbush, Poestenkill, Sand Lake, Schodack and Stephentown.

The District, although primarily rural in character, is within easy access of historical and cultural activities in nearby Albany and Troy. Within thirty minutes driving distance of the District are eleven colleges and universities including Rensselaer Polytechnic Institute and the State University of New York at Albany, five hospitals, two major ski areas, the Empire State Plaza, as well as access to transportation facilities to New York City and Boston.

Many residents of the District are employed as business and professional workers in Albany and Troy. In recent years a significant number of engineers and computer related professionals have moved into the School District area because of the proximity of the Rensselaer Technology Park to the School District. Other residents find employment in industry as well as in agriculture.

The District is traversed by Routes 66 and 43. It can be easily reached by Interstate Routes 90 and 87 which provide access to the area surrounding the School District and the County of Rensselaer.

On November 17, 1994, the qualified voters of the Averill Park Central School District and the Brunswick Common School District approved the reorganization of the two School Districts. Averill Park's annexation of Brunswick Common School District became effective July 1, 1995.

Source: District officials.

Population

The population of the School District is estimated to be 18,223.

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

Larger Employers

Selected major employers located within the District are as follows:

Name	Type	Employees
Averill Park Central School District	Public Education	535
Hannaford Supermarket	Grocery Store	70
Troy Sand & Gravel	Construction	65
Interstate Laminates	Manufacturer – Counter Tops	45
Dynamic Systems, Inc. (DSI)	Manufacturer	40

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
Towns of:						
Berlin	$ 17,733	$ 26,437	$ 35,530	$ 44,464	$ 63,813	$ 87,667
Brunswick	26,554	33,414	47,739	66,374	83,631	115,639
East Greenbush	25,503	34,444	50,471	62,917	87,973	118,833
Nassau	21,785	29,149	41,211	53,313	72,069	98,693
North Greenbush	24,025	32,218	43,858	62,845	78,610	104,318
Poestenkill	22,143	28,575	41,362	63,819	82,835	124,298
Sand Lake	26,103	33,300	47,244	67,742	84,512	117,935
Schodack	24,560	32,655	43,235	63,622	88,625	104,896
Stephentown	18,822	27,683	43,286	45,679	80,217	108,523
County of:						
Rensselaer	21,095	27,457	38,955	52,864	68,390	96,289
State of:						
New York	23,389	30,948	43,208	51,691	67,405	97,731

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

Unemployment Rate Statistics

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

	Annual Average						
	2016	2017	2018	2019	2020	2021	2022
Rensselaer County	4.3%	4.4%	3.9%	3.8%	6.7%	4.4%	3.1%
New York State	4.9%	4.7%	4.1%	4.0%	9.9%	6.9%	4.3%

	2023 Monthly Figures				
	Jan	Feb	Mar	Apr	May
Rensselaer County	3.6%	3.4%	3.0%	N/A	N/A
New York State	4.6%	4.5%	4.0%	N/A	N/A

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

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

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of seven members with overlapping three-year terms. The President and the Vice President are elected by the Board members. The President of the Board is the chief fiscal officer of the School District.

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

Budgetary Procedures

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 2021-2022 fiscal year was approved by the qualified voters on May 18, 2021 with a vote of 576 to 299. The District's 2021-22 budget remained within the Tax Cap imposed by Chapter 97.

The budget for the 2022-2023 fiscal year was approved by the qualified voters on May 17, 2022 with a vote of 1,880 to 991. The District's 2022-2023 adopted budget remained within the Tax Cap imposed by Chapter 97. The adopted budget called for a 2.95% tax levy increase, which was within the District tax levy limit of 2.95%

The budget for the 2023-2024 fiscal year was approved by the qualified voters on May 16, 2023 with a vote of 629 to 271. The District's 2023-2024 budget remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The adopted budget calls for a 2.99% tax levy increase, which is within the District tax levy limit of 2.99%.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Savings Accounts or Money Market Accounts of designated banks; (2) Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State; (3) Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; (4) Obligations of New York State; (5) Obligations of the United States Government (U.S. Treasury Bills and Notes); and (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

State Aid

The District receives financial assistance from the State. In its proposed budget for the 2023-2024 fiscal year, approximately 42.41% 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.

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

The State is not constitutionally obligated to maintain or continue State aid to the District. There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. For the ten fiscal years prior to the State's 2023-2024 fiscal year, the State's budget had been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2023-2-24 fiscal year budget was not adopted until May 2, 2023. No assurance can be given that the State will not experience delays in in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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 education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise.

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $2,165,078 in ARP funds and $2,640,513 in CRRSA funds. As of June 30, 2022, the District has received $2,165,078 in ARP funds and $2,640,513 in CRRSA funds.

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

Building aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 77.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

School district fiscal year (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 $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 was continued under existing aid formulas. Out-year growth in School Aid reflects 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. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding.

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

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

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget includes $34.5 billion for school aid, an increase of $3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history.

The State's 2023-24 Enacted Budget provides $134 million to increase access to free school meals. A $20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State. In fiscal years 2022 and 2023, public school districts were awarded $14 billion of federal elementary and secondary school emergency relief funds, available for use over multiple years.

State Aid Litigation

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

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the 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 revenues of the District for each of the below completed fiscal years, projected figures for the 2022-2023 fiscal year and budgeted figures for the 2023-2024 fiscal year comprised of State aid.

Fiscal Year	Total State Aid	Total Revenues[1]	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 25,026,588	$ 57,552,698	43.48%
2018-2019	25,072,594	59,031,021	42.47
2019-2020	24,954,364	58,647,969	42.55
2020-2021	25,206,419	60,164,125	41.89
2021-2022	25,578,166	60,778,708	42.08
2022-2023 (Projected)	26,991,572	63,144,875	42.74
2023-2024 (Budgeted)	26,946,851	63,535,480	42.41

(1) Does not include interfund transfers.

Source: Audited financial statements for the fiscal years 2017-2018 through and including 2021-2022, unaudited projections for the 2022-2023 fiscal year and adopted budget for the 2023-2024 fiscal year This table is not audited.

Source: District officials.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built
Miller Hill Elementary	K-2	324	1951, ‘97
Poestenkill Elementary	K-5	324	1951, ’66, ‘97
West Sand Lake Elementary	K-5	402	1935, ’40, ’51, ’66, ‘97
George Washington School [1]	K-6	216	1966, ’71, ‘97
Algonquin Middle School	6-8	800	1966, ‘04
Averill Park High School	9-12	943	1958, ’66, ’71, ‘05

(1) Currently being leased to Questar III BOCES and therefore not being used by the District at this time.

Source: District officials.

Enrollment Trends

The table below presents the District's historic and projected enrollment.

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-19	2,651	2023-24	2,615
2019-20	2,639	2024-25	2,615
2020-21	2,625	2025-26	2,615
2021-22	2,663	2026-27	2,615
2022-23	2,591	2027-28	2,615

Source: District officials.

Employees

The School District employs a total of approximately 518 employees. Employees are represented by various unions as follows:

Number of Members	Union Representation	Contract Expiration Date
271	Averill Park Teachers' Association	August 31, 2024
207	Civil Service Employees Association	June 30, 2027
13	Administrators	June 30, 2026
19	Managerial/Confidential	June 30, 2025

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, unaudited figures for the 2022-2023 Fiscal Year and budgeted figures for the 2023-2024 fiscal year are as follows:

Fiscal Year	ERS	TRS
2017-2018	$ 922,849	$ 2,143,253
2018-2019	1,083,938	2,319,428
2019-2020	1,021,048	2,013,510
2020-2021	1,155,769	2,180,504
2021-2022	1,119,270	2,265,183
2022-2023 (Unaudited)	834,019	2,512,830
2023-2024 (Budgeted)	1,181,770	2,352,872

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. Other than incentives described within contracts, the District currently does not have early retirement incentive programs for its employees.

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

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

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

*Estimated. Final contribution rate to be adopted at the July 26, 2023 TRS board meeting.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established such a fund during the 2019-20 fiscal year.

Other Post Employee Benefits

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

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

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

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

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2021 and 2022.

The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

Balance at:	June 30, 2020	June 30, 2021
	$ 159,255,568	$ 163,994,969
Changes for the year:		
Service cost	4,444,474	5,287,631
Interest	3,578,078	3,616,755
Differences between expected and actual experience	(19,981,881)	-
Changes in assumptions or other inputs	20,310,627	(35,054,868)
Benefit payments	(3,611,897)	(3,700,240)
Net Changes	$ 4,739,401	$ (29,850,722)
Balance at:	June 30, 2021	June 30, 2022
	$ 163,994,969	$ 134,144,247

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

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

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

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

Other Information

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

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

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

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

Financial Statements

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

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

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

New York State Comptroller Report of Examination

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

The State Comptroller’s office released an audit report of the District on March 15, 2019. The purpose of the audit was to determine whether employee salaries and wages were accurately paid for the period July 1, 2017 through August 31, 2018.

Key Findings:

- District officials have adequate procedures to ensure salary and wages are paid accurately.
- The Superintendent was not always certifying payrolls prior to the Treasurer distributing paychecks and processing direct deposits.
- Prior to the OSC audit, the Superintendent was not using payroll change reports as part of the payroll certification process.

Key Recommendations:

- Certify the payrolls prior to the Treasurer distributing paychecks and processing direct deposits, and document his review date.
- Continue to use payroll change reports.

The District provided a complete response to the State Comptroller’s office on March 4, 2019. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

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

The State Comptroller’s Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	10.0%
2021	No Designation	6.7%
2020	No Designation	6.7%

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Berlin	$ 3,806,886	$ 3,830,178	$ 3,824,400	$ 3,843,300	$ 3,865,149
Brunswick	40,020,593	40,178,557	40,160,510	40,699,793	41,199,861
East Greenbush	8,075,708	7,931,325	7,904,405	7,936,287	8,297,261
Nassau	106,097,263	106,779,167	107,084,390	108,035,597	109,375,418
North Greenbush	39,245,247	39,285,493	39,324,628	39,491,737	39,681,573
Poestenkill	79,643,925	80,382,006	80,729,799	81,424,259	82,740,681
Sandlake	716,440,189	723,568,428	727,988,744	733,429,827	742,888,420
Schodack	22,802,249	22,885,146	23,003,641	23,006,765	23,058,591
Stephentown	27,528,599	27,548,867	27,548,320	36,207,510	36,304,013
Total Assessed Values	$ 1,043,660,659	$ 1,052,389,167	$ 1,057,568,837	$ 1,074,075,075	$ 1,087,410,967
State Equalization Rates					
Towns of:					
Berlin	30.09%	30.25%	30.25%	27.80%	23.00%
Brunswick	25.50%	24.50%	23.55%	23.50%	20.80%
East Greenbush	100.00%	100.00%	100.00%	96.66%	88.25%
Nassau	78.00%	76.00%	77.00%	71.50%	62.00%
North Greenbush	23.55%	22.12%	21.75%	21.25%	21.75%
Poestenkill	24.50%	23.10%	22.00%	22.50%	19.44%
Sandlake	99.00%	93.00%	93.00%	91.00%	82.00%
Schodack	98.00%	93.00%	93.00%	89.75%	89.00%
Stephentown	100.00%	96.00%	93.00%	100.00%	93.00%
Total Taxable Full Valuation	$ 1,579,889,895	$ 1,681,996,811	$ 1,715,047,699	$ 1,761,862,379	$ 1,979,666,601

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Berlin	$ 64.91	$ 62.22	$ 62.59	$ 66.91	$ 73.96
Brunswick	76.60	76.82	80.40	79.16	81.78
East Greenbush	19.53	18.82	18.93	19.24	19.28
Nassau	25.04	24.76	24.59	26.02	27.44
North Greenbush	82.94	85.09	87.06	87.54	78.21
Poestenkill	79.73	81.48	86.07	82.68	87.50
Sandlake	19.73	20.24	20.36	20.44	20.74
Schodack	19.93	20.24	20.36	20.73	21.53
Stephentown	19.53	19.61	20.36	18.60	18.29

Tax Collection Procedure

Taxes are due and payable without penalty during the period from September 1st through September 31st. Taxes paid from October 1st through October 31st are subject to a 2% penalty. After October 31st, uncollected taxes are turned over to the County Treasurer for collection with a penalty and additional interest added. The County reimburses the District in full before the end of the District's fiscal year.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 30,865,672	$ 31,656,680	$ 32,481,774	$ 32,790,662	$ 33,756,381
Amount Uncollected (1)	1,437,345	1,366,425	1,359,829	1,268,463	1,439,991
% Uncollected	4.66%	4.32%	4.19%	3.87%	4.27%

(1) See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, unaudited figures for fiscal year 2022-2023 fiscal year and budgeted figures for the 2023-2024 fiscal year comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2017-2018	$ 57,552,698	$ 30,090,286	52.28%
2018-2019	59,031,021	30,894,669	52.34
2019-2020	58,647,969	31,679,713	54.02
2020-2021	60,164,080	32,509,305	54.03
2021-2022	60,778,708	32,833,431	54.02
2022-2023 (Projected)	63,144,875	33,796,633	53.50
2023-2024 (Budgeted)	63,535,480	34,765,729	54.70

Source: Audited financial statements for the fiscal years 2017-2018 through and including 2021-2022, unaudited projections for the 2022-2023 fiscal year and adopted budget for the 2023-2024 fiscal year This table is not audited.

Larger Taxpayers 2022 for the 2022-2023 Tax Roll

Name	Type	Taxable Assessed Valuation
National Grid	Utility	$ 13,700,590
New York State Electric and Gas	Utility	8,815,099
Knowlson CT LLC	Commercial	3,491,500
Troy Sand & Gravel Co., Inc.	Commercial	3,218,600
Millers Super Market Inc	Supermarket	3,170,000
Homeroom Lofts LLC	Apartments	2,500,000
MK-Menlo Property Owner LLC	Commercial	2,300,000
P&G Mall LLC	Shopping Center	1,800,000
Verizon New York INC	Utility	1,283,275
Troy Country Club	Commercial`	945,200

The ten larger taxpayers listed above have a total taxable assessed valuation of $41,224,264 which represents 3.79% of the tax base of the District.

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

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

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

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

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

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

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Berlin	$ 18,720	$ 7,420	4/06/2023
Brunswick	16,930	6,270	4/06/2023
East Greenbush	71,840	26,480	4/06/2023
Nassau	50,470	19,090	4/06/2023
North Greenbush	17,700	6,530	4/06/2023
Poestenkill	15,820	6,010	4/06/2023
Sand Lake	66,750	24,600	4/06/2023
Schodack	64,310	23,970	4/06/2023
Stephentown	75,700	27,900	4/06/2023

$2,583,536 the District's $33,756,381 school tax levy for the 2022-2023 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2023.

Approximately $2,537,898 of the District's $34,765,729 school tax levy for the 2023-24 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2024.

Additional Tax Information

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

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

The estimated annual school property tax bill of a $100,000 market value residential property located in the School District is approximately $1,702.

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, it has since been made 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 included a challenge to the supermajority requirements regarding school district property tax increases.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional 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 principal of and interest thereon.

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

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.

Statutory Procedure

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

The School District has the power to contract indebtedness for any School District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment roll by the equalization rate established by the State Office of Real Property Services in accordance with applicable State law.

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 with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication, or

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

Except on rare occasions the School District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the 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.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Bonds [1]	$ 26,804,201	$ 23,948,359	$ 17,800,921	$ 15,272,725	$ 12,789,966
Bond Anticipation Notes	0	0	0	0	6,550,000
Other Debt	0	0	0	0	0
Total Debt Outstanding	$ 26,804,201	$ 23,948,359	$ 17,800,921	$ 15,272,725	$ 19,339,966

(1) The District issued $21,245,000 of bonds through DASNY in June, 2019 to refinance, together with $424,071 of available funds, bond anticipation notes that matured on August 2, 2019.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 30, 2023:

Type of Indebtedness	Maturity		Amount
Bonds	2023-2032		$ 12,827,441
Bond Anticipation Notes Various improvements	June 22, 2023		6,550,000
		Total Indebtedness	$ 19,377,441

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 30, 2023:

Full Valuation of Taxable Real Property			1,979,666,601
Debt Limit 10% thereof			197,966,660
Inclusions:			
Bonds	$ 12,827,441		
Bond Anticipation Notes [1]	6,550,000		
Total Inclusions		$ 19,377,441	
Exclusions:			
State Building Aid [2]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 19,377,441
Net Debt-Contracting Margin			$ 178,589,219
The percent of debt contracting power exhausted is			9.79%

(1) The Notes will increase the District indebtedness by $6,450,000

(2) Based on preliminary 2022-2023 building aid estimates, the District anticipates State Building aid of 79.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Capital Project Plans

On February 28, 2022 the District adopted a bond resolution authorizing the issuance of an amount not to exceed $28,527,000 of serial general obligation bonds to finance the reconstruction of various District buildings, facilities and site work, and acquisition of original furnishings, equipment, and machinery. The District issued Bond Anticipation Notes on June 22, 2022 maturing on June 22, 2023 in the amount of $6,550,000 for the aforementioned purpose. The proceeds of the Notes, along with $700,000 available funds of the District. will partially redeem and renew $6,550,000 currently outstanding bond anticipation notes maturing June 22, 2023 and provide $7,150,000 new monies for the above mentioned project.

The District issues serial bonds for the purchase of buses annually. On May 16, 2023 the District's voters is asking the qualified voters to approved a proposition authorizing the issuance of $1,126,072 of serial bonds to finance for the purchase of buses in the 2023-2024 fiscal year.

Cash Flow Borrowings

The School District has not borrowed for cash flow purposes through the issuance of revenue anticipation notes or tax anticipation notes in recent years history and has no plans to issue revenue anticipation notes or tax anticipation 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 of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Rensselaer	12/31/2021	$ 151,572,432	$ 48,289,436	$ 103,282,996	9.31%	$ 9,615,647
Town of:						
Berlin	12/31/2021	-	-	-	9.82%	-
Brunswick	12/31/2021	695,000	30,000	665,000	15.21%	101,147
East Greenbush	12/31/2021	22,585,857	4,438,000	18,147,857	0.54%	97,998
Nassau	12/31/2021	2,926,834	2,541,100	385,734	39.30%	151,593
North Greenbush	12/31/2021	9,899,145	9,589,961	309,184	14.86%	45,945
Poestenkill	12/31/2021	-	-	-	92.12%	-
Sand lake	12/31/2021	3,288,779	33,780	3,254,999	94.74%	3,083,786
Schodack	12/31/2021	7,578,324	4,506,760	3,071,564	1.99%	61,124
Stephentown	12/31/2021	-	-	-	11.22%	-
					Total:	$ 13,157,240

(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: Comptroller's Special Report on Municipal Affairs for Local Finance Year Ended in 2020.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 30, 2023:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 19,377,441	1,063.35	0.98%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]	32,534,681	1,785.36	1.64%

(a) The current estimated population of the District is 18,223. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for 2022-23 is $1,979,666,601. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $13,157,240. (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 District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

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

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the 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 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 District may not be enforced by levy and execution against property owned by the 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 District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

CONTINUING DISCLOSURE COMPLIANCE

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 School District will enter into a Material Event Notices Certificate, a summary of which is attached hereto as "APPENDIX – D."

Historical Compliance

The School District is in compliance, in all material respects, with all prior undertakings pursuant to the Rule for the past five years.

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 INFORMATION – Tax Levy Limitation Law” herein.

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

Cybersecurity

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

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the Authority, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the Authority, 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”). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, 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 federal, state or local tax consequences with respect to the Notes. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the School District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the “IRS”). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Notes from gross income for federal income tax purposes. See “APPENDIX E – Form of Bond Counsel’s Opinion - Notes

General

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and the rebate of certain earnings in respect of such investments to the United States. The School District and others have made certain representations, certifications of fact, and statements of reasonable expectations and the School District has given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations.

In the event of the inaccuracy or incompleteness of any such representations, certifications or statements of reasonable expectation, or of the failure by the School District to comply with any such covenant, the interest on the Notes could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Notes, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Notes is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of the Notes. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of the Notes Bond and such Beneficial Owner's other items of income, deduction or credit. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition, or the accrual or receipt of interest on, the Notes.

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of the Notes may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Backup Withholding and Information Reporting

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Notes and would be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the Notes, if other than the registered owner).

Legislation

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Notes. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Notes may occur. Prospective purchasers of the Notes should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents the judgment of Bond Counsel as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts.

The Notes will be designated or deemed designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

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

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

RATING

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

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

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Averill Park Central School District's management's beliefs as well as assumptions made by, and information currently available to, the Averill Park Central School 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 Averill Park Central School District's files with the repositories. When used in Averill Park Central School District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases 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.

Barclay Damon LLP, Albany, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, 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 School 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 limitation as to information in the Official Statement obtained from sources other than the School District, as to which no representation can be made.

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

The School 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.

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The School District contact information is as follows: Carrie Nyc-Chevrier, Assistant Superintendent for Business, 146 Gettle Road, Station 1 Averill Park, New York 12018, telephone (518) 674-3802, fax (518) 674-3802, Email: nyc-chevrierc@apcsd.org

The District's Bond Counsel information is as follows: M. Cornelia Cahill, Esq., Barclay Damon LLP, 80 State Street Albany, New York 12207, Phone: (518) 429-4296, Fax: (518) 533-2926, Email: mcahill@barclaydamon.com.

Additional 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

AVERILL PARK CENTRAL SCHOOL DISTRICT

Dated: June ___, 2023

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PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
ASSETS					
Unrestricted Cash	$ 3,706,098	$ 3,991,066	$ 3,396,410	$ 3,227,752	$ 3,320,125
Restricted Cash	3,639,974	4,477,922	5,832,868	7,087,386	6,201,817
Investments	-	-	-	-	-
State and Federal Aid Receivable	881,037	751,395	818,269	922,302	812,509
Due from Other Funds	1,250,663	1,475,862	1,978,918	1,535,250	2,629,436
Other Receivables	261,861	151,094	143,015	431,202	166,681
Due from Other Governments	742,712	747,527	797,996	705,483	637,646
Lease Receivable	-	-	-	-	1,467,818
TOTAL ASSETS	$ 10,482,345	$ 11,594,866	$ 12,967,476	$ 13,909,375	$ 15,236,032
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 468,501	$ 703,157	$ 710,217	$ 976,851	$ 824,232
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	32,525	12,235	311,624	-	241,606
Due to Other Governments	-	-	-	238,735	238,735
Due to Teachers' Retirement Systems	2,200,216	2,371,711	2,067,531	2,265,184	2,462,253
Due to Employees' Retirement Systems	239,096	343,306	340,657	434,672	304,774
Deferred Revnues	-	-	312,390	-	-
Other Liabilities	-	-	-	124,720	108,429
Deferred Inflows - Leases	-	-	-	-	1,459,052
TOTAL LIABILITIES	2,940,338	3,430,409	3,742,419	4,040,162	5,639,081
FUND EQUITY					
Restricted	$ 3,639,974	$ 4,477,922	$ 5,832,868	$ 6,962,666	$ 6,038,460
Unrestricted:					
Assigned	1,483,878	1,236,589	1,215,464	1,093,334	1,003,558
Unassigned	2,418,155	2,449,946	2,176,725	1,813,213	2,554,933
TOTAL FUND EQUITY	7,542,007	8,164,457	9,225,057	9,869,213	9,596,951
TOTAL LIABILITIES and FUND EQUITY	$ 10,482,345	$ 11,594,866	$ 12,967,476	$ 13,909,375	$ 15,236,032

Source: Audited financial report 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	$ 29,170,729	$ 30,041,635	$ 30,845,847	$ 31,632,702	$ 32,509,305
Other Tax Items	52,497	48,651	48,822	47,011	
Charges for Services	1,037,764	947,788	1,004,997	961,343	1,127,001
Use of Money & Property	343,295	343,030	406,677	400,117	312,992
Sale of Property and Compensation for Loss	19,761	14,152	20,362	2,630	4,214
Miscellaneous	612,287	1,043,037	1,430,858	523,980	670,149
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	24,082,555	25,026,588	25,072,594	24,954,364	25,206,419
Revenues from Federal Sources	78,464	87,817	200,864	125,822	334,000
Total Revenues	$ 55,397,352	$ 57,552,698	$ 59,031,021	$ 58,647,969	$ 60,164,080
Other Sources:					
Interfund Transfers	406,066	-	100,000	-	-
Total Revenues and Other Sources	55,803,418	57,552,698	59,131,021	58,647,969	60,164,080
EXPENDITURES					
General Support	$ 4,962,301	$ 5,351,819	$ 5,575,526	$ 5,766,100	$ 5,747,734
Instruction	28,593,584	29,216,910	29,833,542	30,166,980	30,850,355
Pupil Transportation	2,720,978	2,756,050	3,089,301	2,880,701	3,018,168
Community Services	-	-	-	-	-
Employee Benefits	14,805,539	14,973,760	15,634,530	14,662,993	15,802,107
Debt Service	3,945,247	4,260,040	4,319,378	3,924,406	3,946,688
Total Expenditures	$ 55,027,649	$ 56,558,579	$ 58,452,277	$ 57,401,180	$ 59,365,052
Other Uses:					
Interfund Transfers	190,227	48,076	56,294	186,189	154,872
Total Expenditures and Other Uses	55,217,876	56,606,655	58,508,571	57,587,369	59,519,924
Excess (Deficit) Revenues Over Expenditures	585,542	946,043	622,450	1,060,600	644,156
FUND BALANCE					
Fund Balance - Beginning of Year	4,900,601	6,010,422	6,595,964	7,542,007	9,225,057
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 5,486,143	$ 6,956,465	$ 7,218,414	$ 8,602,607	$ 9,869,213

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2022 Original Budget	2022 Final Budget	2022 Actual	2023 Adopted Budget	2024 Adopted Budget
REVENUES					
Real Property Taxes	$ 32,790,622	$ 32,790,622	$ 32,833,431	$ 33,756,381	$ 34,765,729
Other Tax Items	50,000	50,000	-	50,000	50,000
Charges for Services	883,596	888,872	1,264,997	965,596	1,003,500
Use of Money & Property	315,400	315,400	328,403	315,400	346,400
Sale of Property and Compensation for Loss	-	1,000	16,623	-	-
Miscellaneous	318,500	355,393	479,435	316,000	288,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	25,640,729	25,640,729	25,578,166	26,969,970	26,946,851
Revenues from Federal Sources	90,000	90,000	277,653	120,000	135,000
Total Revenues	$ 60,088,847	$ 60,132,016	$ 60,778,708	$ 62,493,347	$ 63,535,480
Other Sources:					
Interfund Transfers	588,000	588,000	-	600,000	600,000
Total Revenues and Other Sources	60,676,847	60,720,016	60,778,708	63,093,347	64,135,480
EXPENDITURES					
General Support	$ 5,831,930	$ 6,346,016	$ 6,124,742	$ 6,212,591	$ 6,770,497
Instruction	31,114,692	31,568,758	30,894,742	31,749,256	32,130,058
Pupil Transportation	3,372,212	3,247,888	3,067,531	3,531,274	3,604,084
Community Services	-	-	-		
Employee Benefits	17,083,622	16,287,655	15,429,045	17,468,338	18,200,463
Debt Service	3,949,391	4,139,089	3,949,367	4,756,888	4,000,378
Lease Expense	-	-	184,551	-	-
Total Expenditures	$ 61,351,847	$ 61,589,406	$ 59,649,978	$ 63,718,347	$ 64,705,480
Other Uses:					
Interfund Transfers	105,000	1,554,725	1,400,992	155,000	210,000
Total Expenditures and Other Uses	61,456,847	63,144,131	61,050,970	63,873,347	64,915,480
Excess (Deficit) Revenues Over Expenditures	(780,000)	(2,424,115)	(272,262)	(780,000)	(780,000)
FUND BALANCE					
Fund Balance - Beginning of Year	780,000	2,424,115	9,869,213	780,000	780,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 9,596,951	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 3,406,898	$ 531,738.30	$ 3,938,636.30
2024	2,516,491	451,385.11	2,967,876.11
2025	1,393,011	335,006.55	1,728,017.55
2026	1,271,045	284,618.87	1,555,663.87
2027	1,176,894	235,536.18	1,412,430.18
2028	1,060,000	185,843.75	1,245,843.75
2029	925,000	138,750.00	1,063,750.00
2030	975,000	92,500.00	1,067,500.00
2031	760,000	43,750.00	803,750.00
2032	115,000	5,750.00	120,750.00
TOTALS	$ 13,599,339	$ 2,304,878.76	$ 15,904,217.76

APPENDIX - B1
Averill Park CSD

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2013 Refunding of 2005 SB			2017 DASNY Refunding of 2010 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	$ 945,000	$ 23,625.00	$ 968,625.00	$ 990,000	$ 101,350.00	$ 1,091,350.00
2024	-	-	-	1,040,000	51,850.00	1,091,850.00
TOTALS	$ 945,000	$ 23,625.00	$ 968,625.00	$ 2,030,000	$ 153,200.00	$ 2,183,200.00

Fiscal Year Ending June 30th	2017 DASNY Serial Bonds		
	Principal	Interest	Total
2023	$ 700,000	$ 367,500.00	$ 1,067,500.00
2024	725,000	339,500.00	1,064,500.00
2025	765,000	303,250.00	1,068,250.00
2026	800,000	265,000.00	1,065,000.00
2027	840,000	225,000.00	1,065,000.00
2028	885,000	183,000.00	1,068,000.00
2029	925,000	138,750.00	1,063,750.00
2030	975,000	92,500.00	1,067,500.00
2031	760,000	43,750.00	803,750.00
2032	115,000	5,750.00	120,750.00
TOTALS	$ 7,490,000	$ 1,964,000.00	$ 9,454,000.00

APPENDIX - B2
Averill Park CSD

Fiscal Year Ending June 30th	2017 Statutory Installment Bonds Principal	Interest	Total	2018 Statutory Installment Bonds Principal	Interest	Total
2023	$ 159,778	$ 3,626.96	$ 163,404.96	$ 144,108	$ 8,329.38	$ 152,437.38
2024	-	-	-	144,106	4,164.66	148,270.66
Totals	$ 159,778	$ 3,626.96	$ 163,404.96	$ 288,214	$ 12,494.04	$ 300,708.04

Fiscal Year Ending June 30th	2019 Statutory Installment Bonds Principal	Interest	Total	2020 Statutory Installment Bonds Principal	Interest	Total
2023	$ 161,967	$ 10,252.49	$ 172,219.49	$ 139,150	$ 6,623.54	$ 145,773.54
2024	161,967	6,834.99	168,801.99	139,150	4,967.66	144,117.66
2025	161,966	3,417.48	165,383.48	139,150	3,311.77	142,461.77
2026	-	-	-	139,150	1,655.89	140,805.89
TOTALS	$ 485,900	$ 20,504.96	$ 506,404.96	$ 556,600	$ 16,558.85	$ 573,158.85

Fiscal Year Ending June 30th	2021 Statutory Installment Bonds Prinicpal	Interest	Total	2022 Statutory Installment Bonds Prinicpal	Interest	Total
2023	$ 166,895	$ 10,430.93	$ 177,325.93	$ -	$ -	$ -
2024	166,895	8,344.74	175,239.74	139,373	35,723.07	175,096.07
2025	166,895	6,258.55	173,153.55	160,000	18,768.75	178,768.75
2026	166,895	4,172.36	171,067.36	165,000	13,790.63	178,790.63
2027	166,894	2,086.18	168,980.18	170,000	8,450.00	178,450.00
2028	-	-	-	175,000	2,843.75	177,843.75
TOTALS	$ 834,474	$ 31,292.76	$ 865,766.76	$ 809,373	$ 79,576.19	$ 888,949.19

EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

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

AVERILL PARK CENTRAL SCHOOL DISTRICT
RENSSELAER COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2022

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

AVERILL PARK CENTRAL SCHOOL DISTRICT

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AVERILL PARK CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Averill Park Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 9 to the financial statements, in 2021/2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1- A10, budgetary comparison information on pages C1 and C2, schedule of changes in total OPEB liability on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedules of district contributions on page C5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Averill Park Central School District's basic financial statements. The supplemental information on pages D1 - D3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page F4 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* 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. These supplemental schedules and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
October 21, 2022

AVERILL PARK CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2022

The following discussion and analysis of the Averill Park Central School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ending June 30, 2022. This discussion and analysis are intended to serve as an introduction to the District's basic financial statements; we encourage readers to consider the information presented here, in conjunction with information provided in the financial statements.

Financial Highlights

Ongoing Financial Conditions:

- The District developed the 2022-23 budget understanding the potential for a funding cliff created by stimulus funding ending in 2023 and 2024. Additional costs due to inflation, supply chain issues and increasing fuel costs were also factored into the budget.

- The District was allocated Federal funding through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan (ARP) to assist with addressing COVID-19 environment operating costs and direct educational program costs. CRRSA funding totaled $2,640,513 and ARP funding totaled $2,165,078. The District has developed plans to utilize these Federal programs over the multiple-year period provided for in each program's guidelines. These funds will generally be used to develop an appropriate learning environment compliant with State and Federal COVID-19 operating guidelines, to implement programs facilitating learning loss recovery and to provide social and emotional supports to students adversely impacted by the pandemic.

- The District has specifically designed the CRRSA and ARP spending plans to provide these important programs over several years with careful consideration given to avoiding funding cliffs and the associated program reductions.

- The District commenced an emergency capital project involving repairs, upgrades, and renovations to its existing facilities at the Algonquin Middle School to install a water filtration system to mitigate existing PFOA contaminates exceeding State thresholds identified through newly instituted testing requirements. The District estimates the cost of this project will be about $150,000. Funding for this project in the amount of $150,000 was allocated for in the District's Property Loss reserve in June 2021. The District received a preliminarily approval for a Water Infrastructure Improvement Grant from the Environmental Facilities Corporation for $90,000 to help offset the cost of the project. The project is projected to be completed in Fall 2022.

- The District also incurred significant damage to the Averill Park High School and the Algonquin Middle School due to water intrusion from heavy storms on July 14, 2021, resulting in a county-wide state-of-emergency declaration. The repairs due to the flood were complete and cost the district $2.236 million. The project was funded by $1.078 million in insurance proceeds and the remaining $1.158 million was paid from District reserves.

- The District established and funded an Insurance Reserve for $350,000 to protect against property loss and liability claims that are incurred and not covered by insurance.

GASB 87 Implementation:

Government Accounting Standards Board, Statement 87, Leases (GASB 87) is effective for the 2021-22 fiscal year. The objective of GASB 87 is to increase the usefulness of government financial statements by standardizing how certain lease assets and liabilities are recognized.

The District leases computer equipment and printers from the Questar III BOCES. These leases were recorded as Lease Asset and as a Lease Liability.

The District also leases the George Washington Elementary School to Questar III BOCES and space at Miller Hill Sand Lake Elementary School to Greenbush Child Care. The leases were recorded as Lease Receivable and a Deferred Inflow of Resources.

GASB 96 Implementation:

Statement 96, Subscription-Based Information Technology Arrangements (GASB 96) is effective for the 2022-23 fiscal year, but was implemented early in 2021-22 as permitted.

The District reviewed our current agreements and did not find any reportable subscriptions for the year ending June 30, 2022.

Results of Operations:

- The District's 2021-22 actual revenues were $647,052 more than budgeted. Revenue accounts generating a deficit were BOCES aid, which was $212,151 under budget.

- Revenue accounts generating this positive variance included an additional $376,712 that exceeded budget for various tuition & fees charged to other districts for services provided to their students in our District. New York State reimbursements for Medicaid eligible services provided to students, the education of students temporarily displaced from their district of residence, and services provided to students in State residential facilities located in the District generated a positive revenue variance of $187,653.

- These positive revenue variances were offset by the deferment of a planned $500,000 transfer from the Retirement Systems Reserve to the General Fund.

- The 2021-22 expenditure budget was approved for $61,456,847, carryover encumbrances totaled $313,334 and the Board of Education approved additional budgetary expenditures of $1,373,950 bringing the total adjusted budget to $63,144,131.

- District expenditures and encumbrances for the 2021-22 fiscal year concluded with a positive variance from budget of $1,781,603 or about 2.82% of the revised $63,144,131 budget.

- While the District experienced an overall positive expense budget variance, the variance was lessened by certain costs. These costs included increased fuel, substitute and legal costs.

- The District has continued its efforts to maintain an appropriate unassigned fund balance level in order to strengthen its financial position for the future, as well as to provide for emergency funding in the event of unanticipated expenditures. The District's General Fund unassigned fund balance as of June 30, 2022 was $2,554,933, an increase of $741,720 from the June 30, 2021 unassigned fund balance. The June 30, 2022 fund balance is 4.00% of the 2022-23 General Fund budget.

- The District established an Insurance Reserve with an initial funding amount of $350,000 and increased the the Teachers' Retirement System Reserve by $56,307.

- The District issued a 5-year $834,474 statutory installment bond at 1.25% to finance the purchase of nine school buses and one pickup/plow truck.

- The District issued a 1-year $6,550,000 bond anticipation note at 1.97% to finance Phase 1 of the capital project that was approved in October 2021.

- The District's liability for compensated absences using the "Vesting Method" of accounting, decreased by $47,762 to $1,888,216 as of June 30, 2022. The Board was previously funding a reserve equal to 100% of the compensated absences liability. As of July 1, 2020, the Board has determined that no more than 50% of this reserve will be funded, as there is a more than remote likelihood that 100% of this liability will ever become due at a single point in time.

- In 2011, the State Legislature and Governor enacted legislation applicable beginning with the 2012-13 school year, establishing a cap on the amount that a school district property tax levy can increase each year. Under this law, the growth in school tax levy will be capped a 2% or the rate of inflation, whichever is less, with some exceptions that allow the tax levy increase to exceed a 2%, but still to be considered within the tax levy cap for voting purposes. A school district tax levy that is within the cap threshold requires only a simple majority vote for approval. However, to raise taxes above the tax levy cap, requires a super majority (60% plus one yes votes) to approve the tax levy increase.

- In May 2022, the Board of Education's 2022-23 proposed budget of $63,873,347 was approved by a 65% positive margin. The 2022-23 budget represented an increase of $2,416,500, or 3.93% from 2021-22 budget.

- For 2022-23 the tax levy inflation factor for school districts is 2.00% and the District's overall tax levy cap is 2.95%. In August 2022, the Board approved the 2022-23 tax levy of $33,756,381 which was at the allowable levy limit increase of $965,719.

Overview of the Financial Statements

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

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

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

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

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

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

District-wide Statements

The *District-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the District, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the assets of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. retirement system liabilities and earned but unused vacation leave).

The District-wide financial statements can be found on pages B1 and B2 of this report.

Fund Financial Statements

A *fund* is a group of related account that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into two categories: government funds and fiduciary funds.

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

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by $103 million at the close of the most recent fiscal year.

Net Assets (in thousands of dollars)

		Fiscal Year 2022		Fiscal Year 2021
Governmental Activities				
Current and other assets	$	20,379	$	14,200
Capital assets		49,789		50,001
Lease Receivable		1,468		0
Lease Asset		590		0
Net Pension Assets		25,420		0
Total assets	$	97,646	$	64,201
Deferred Outflows of Resources				
Loss on Refunding		70		150
Pensions & OPEB		42,285		50,396
Total Deferred Outflows		42,355		50,546
Total Assets & Deferred Outflows		140,001		114,747
Current Liabilities	$	10,745	$	7,460
Long-term liabilities		150,661		183,293
Total liabilities	$	161,406	$	190,753
Deferred Inflows of Resources				
Lease		1,459		0
Pensions & OPEB	$	80,128	$	33,536
Total Deferred Inflows	$	81,587	$	33,536
Net position				
Invested in capital assets, net of related debt	$	36,037	$	33,686
Restricted		6,151		7,150
Unrestricted		(145,180)		(150,378)
Total Net Position (Deficit)	$	(102,992)	$	(109,542)

Net Position increased by $6,440,494. Total assets and deferred outflows of resources increased by $25,254,843, total liabilities and deferred outflows of resources decreased $18,704,542.

The increase in Net Position is substantially due to an increase of $25,420,123 in Net Pension Asset and Restricted Cash of $5,419,872 due to borrowed funds for the Capital Project that was approved in October 2021.

The primary factor impacting the change in Liabilities was a decrease in Other Post-Employment Benefits (OPEB) Payable by $29,850,722 and an increase of $48,051,113 in Deferred Inflows of Resources. An increase of $23,991,522 in Pensions and $22,600,539 in Other Post-Employment Benefits (OPEB) were the primary elements of the overall increase in Deferred Inflows of Resources.

The District has reserved funds from unrestricted funds for the following purposes:

- *Appropriated fund balance* of $780,000. The District has designated this portion for the subsequent year to reduce the tax levy.

- *Reserve for encumbrances* of $223,558. Net assets within the General fund are reserved to pay for commitments at June 30 that will be reappropriated during the subsequent fiscal year.

- *Retirement System Reserve* of $3,081,008. The District has reserved funds to pay for future Employees Retirement System cost.

- *Retirement System Reserve TRS Sub-Fund* of $523,677. The District has reserved funds to pay for future Teachers' Retirement system cost.

- *Workers' Compensation Reserve* of $715,114. The District has reserved funds to pay for future self-funded workers' compensation cost.

- *Reserve for Debt* of $58. The District will use these funds to pay down debt.

- *Reserve for Employee Benefit Accrued Liability* of $1,182,609. The District will use these funds to pay accrued employee benefits due upon an employee's separation from service.

- *Reserve for Property Loss* of $145,048. The District will use these funds to pay expenses that are not covered under the Water Infrastructure Improvement Grant from the state for the PFOA remediation at the Algonquin Middle School.

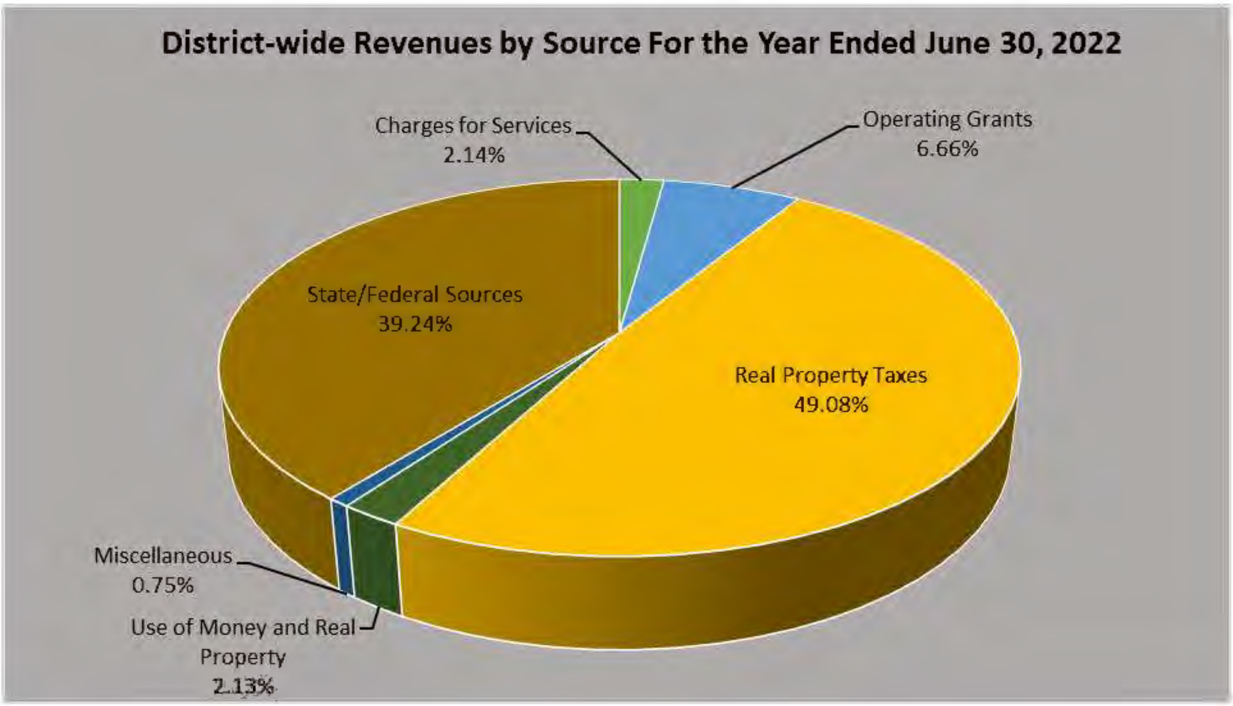
- *Reserve for Tax Certiorari* of $41,004. The District will use these funds to pay claims related to an ongoing tax certiorari proceeding.

- *Reserve for Insurance* of $350,000. The District has reserved these funds to pay for future property loss or liability claims that are not covered by insurance.

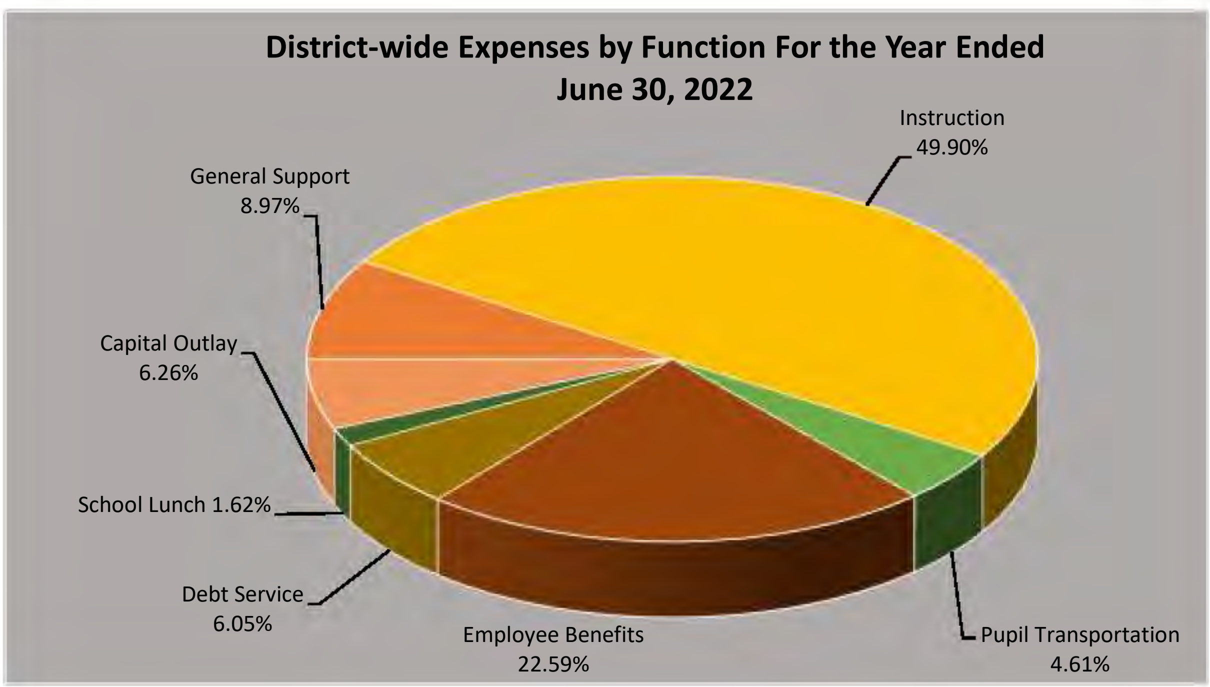
Statement of Activities (in thousands of dollars)

	Fiscal Year 2022	Fiscal Year 2021
Revenues		
Program revenues		
Charges for services	*$ 1,433*	*$ 1,167*
Operating & Capital Grants	*4,852*	*2,485*
Total Program Revenues	*6,285*	*3,652*
General revenues		
Property taxes	*32,833*	*32,471*
State aid	*25,578*	*25,053*
Other	*2,196*	*1,393*
Total General Revenues	*60,607*	*58,917*
Total Revenues	*$ 66,685*	*$ 62,569*
Expenses		
General support	*$ 6,065*	*$ 6,663*
Instruction	*37,534*	*34,999*
Transportation	*4,210*	*3,394*
Employee benefits	*11,114*	*23,299*
Debt service – interest	*422*	*481*
Cost of sales – Food	*1,106*	*363*
Total Expenses	*$ 60,451*	*$ 69,199*
Increase (Decrease) in net position	*$ 6,440*	*$ (6,629)*
Cumulative effect of change in accounting principle	*110*	*109*
Total change in net position	*$ 6,550*	*$ (6,520)*

Sources of Revenues for Fiscal Year 2022



Expenses for Fiscal Year 2022



AB.

Financial Analysis of The District's Funds

As explained earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The General fund is the chief operating fund of the District. At the end of the fiscal year, cash and investments totaled $16,676,902 comprising 17.08% of total district assets. $6,038,460 of the cash balance is held to fund reserves established by the District, another $108,429 of this cash balance is restricted for Extraclassroom activities with the remaining balance available to pay current liabilities.

General Fund Budgetary Highlights

For the year, final revenues were $147,052 more than revised budgetary estimates, a 0.24% positive variance and expenditures and encumbrances were under revised budgetary estimates by $1,781,603, a 2.82% positive variance.

The District's unassigned fund balance of $2,554,933 as of June 30, 2022 was 4.00% of the $63,873,347 2022-23 budget, an increase of $741,720 from the June 30, 2021 unassigned fund balance of $1,813,213.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2022, the District had invested $49,789,455, net of accumulated depreciation, in a broad range of capital assets, including school buildings. Total depreciation expense for the year was $4,474,831. Construction in progress includes a $832,084 Smart Schools Bond Act project in 2017-18 to enhance safety and security which received NYS Education Department approval in 2019-20, $833,187 for the first phase of the district-wide capital project that was approved in October 2021 and $147,179 for an emergency project to install a water filtration system due to elevated PFOA levels at Algonquin Middle School.

The following summarizes capital assets, net of accumulated depreciation, at June 30, 2022 and 2021:

	6/30/22	6/30/21
Land	$ 90	$ 90
Construction in progress	1,813	915
Buildings	42,779	44,768
Furniture and equipment	2,243	1,370
Land/site improvements	129	145
Licensed vehicles	2,735	2,713
Total Capital Assets, Net of Depreciation	$49,789	$50,001

Long-Term Debt

At June 30, 2022, the District had $150,591,000 in general obligation bonds and other long-term debt outstanding, decrease of 18% from the prior year. (More detailed information about the District's long-term liabilities is presented in Note 2B, II to the financial statements.)

The following summarizes long-term debt at June 30, 2022 and 2021:

		6/30/2022		6/30/2021
Serial Bonds	$	10,465	$	12,995
Unamortized Premiums		894		1,193
Deferred amounts on refunding		(69)		(150)
Installment Purchase Debt		2,325		2,278
Other Post Employment Benefits		134,144		163,995
Compensated Absences		1,888		1,935
Workers' Compensation		515		494
Lease Liability		429		0
Total Long-Term Debt	$	150,591	$	182,740

Economic Factors and Next Year's Budgets and Rates

- In May 2022 the 2022-23 proposed $63,873,347 budget was approved by the voters. The 2022-23 budget represented an increase of $2,416,500 from the 2021-22 budget.
- The voter approved 2022-23 tax levy of $33,756,381, is a $965,759 increase over 2021-22, a 2.95% increase over the prior year tax levy.
- The State's adoption of a tax levy cap may impact the District's ability to raise the revenues necessary to maintain educational programs and support services.
- Enrollment is projected to decline which could negatively impact State and Federal aid.
- The District is experiencing an increase in the number of students qualifying for free & reduced price lunch.
- The District has maintained a consistent level of reliance on fund balance as a source of revenue.

Contacting the District's Financial Management

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

Carrie Nyc-Chevrier
Assistant Superintendent for Business
Averill Park Central School District
146 Gettle Road, Station 1
Averill Park, New York 12018

AVERILL PARK CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS		
Current Assets		
Cash - Unrestricted	$	3,966,568
Cash - Restricted		12,710,334
Accounts Receivable		166,681
State and Federal Aid Receivable		2,888,911
Due From Other Governments		637,646
Inventories		9,077
Capital Assets, net		49,789,455
Lease Receivable		1,467,818
Lease Assets, net		590,015
Net Pension Asset, Proportionate Share		25,420,123
Total Assets		97,646,628
Deferred Outflows of Resources		
Loss on Refunding		69,810
Other Post Employment Benefits		24,952,725
Pensions		17,332,278
Total Deferred Outflows of Resources		42,354,813
Total Assets and Deferred Outflows of Resources	$	140,001,441
LIABILITIES		
Current Liabilities		
Accounts Payable	$	900,341
Other Liabilities		108,429
Due to Other Governments		238,920
Bond Interest Accrued		57,200
Due to Teachers' Retirement System		2,462,253
Due to Employees' Retirement System		304,774
Refundable Advances		123,748
Bond Anticipation Notes		6,550,000
Long-Term Liabilities - Due and Payable Within One Year		
Bonds		3,406,898
Lease Liability		174,319
Long-Term Liabilities - Due and Payable After One Year		
Bonds		9,383,068
Lease Liability		254,586
Unamortized Bond Premium		894,372
Compensated Absences		1,888,216
Workers' Compensation		515,104
Other Post Employment Benefits Payable		134,144,247
Total Liabilities		161,406,475
Deferred Inflows of Resources		
Deferred Receipts of Lease Receivable		1,459,052
Other Post Employment Benefits		47,376,950
Pensions		32,750,957
Total Deferred Inflows of Resources		81,586,959
NET POSITION		
Net Investment in Capital Assets		36,037,432
Restricted		6,151,033
Unrestricted		(145,180,458)
Total Net Position		(102,991,993)
Total Liabilities, Deferred Inflows of Resources and Net Position	$	140,001,441

See accompanying notes to financial statements.

AVERILL PARK CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues			
	Expenses	**Charges for Services**	**Operating Grants**	**Capital Grants**	**Net (Expense) Revenue and Changes in Net Position**
FUNCTIONS/PROGRAMS					
General support	$ 6,064,777	$ -	$ -	$ -	$ (6,064,777)
Instruction	37,533,944	1,264,997	3,117,929	-	(33,151,018)
Pupil transportation	4,209,669	-	-	-	(4,209,669)
Employee benefits	11,114,441	-	-	-	(11,114,441)
Debt service	422,497	-	-	-	(422,497)
Capital Outlay	-	-	-	(206,999)	206,999
School lunch program	1,105,943	167,577	1,526,953	-	588,587
Total Functions and Programs	$ 60,451,271	$ 1,432,574	$ 4,644,882	$ (206,999)	(54,166,816)
GENERAL REVENUES					
Real property taxes					32,833,431
Use of money and property					351,566
Sale of property and compensation for loss					1,087,059
State sources					25,578,166
Federal sources					277,653
Miscellaneous					479,435
Total General Revenues					60,607,310
Change in Net Position					6,440,494
Total Net Position - Beginning of Year as Originally Reported					(109,542,294)
Cumulative Effect of Change in Accounting Principle (Note 9)					109,807
Total Net Position - Beginning of Year					(109,432,487)
Total Net Position - End of Year					$ (102,991,993)

See accompanying notes to financial statements.

AVERILL PARK CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Capital Fund	Debt Service Fund	Total Governmental Funds
Assets							
Cash - Unrestricted	$ 3,320,125	$ 54,281	$ 592,162	$ -	$ -	$ -	$ 3,966,568
Cash - Restricted	6,201,817	-	-	95,972	6,412,505	40	12,710,334
State and Federal Receivable	812,509	769,756	324,572	-	982,074	-	2,888,911
Due From Other Governments	637,646	-	-	-	-	-	637,646
Due From Other Funds	2,629,436	72,642	56,583	-	-	18	2,758,679
Other Receivable, net	166,681	-	-	-	-	-	166,681
Lease Receivable	1,467,818	-	-	-	-	-	1,467,818
Inventories	-	-	9,077	-	-	-	9,077
Total Assets	$ 15,236,032	$ 896,679	$ 982,394	$ 95,972	$ 7,394,579	$ 58	$ 24,605,714
Liabilities							
Accounts Payable	$ 824,232	$ 229	$ 2,080	$ -	$ 73,800	$ -	$ 900,341
Due to Other Funds	241,606	851,570	63,416	-	1,602,087	-	2,758,679
Due to Other Governments	238,735	-	185	-	-	-	238,920
Due to Teachers' Retirement System	2,462,253	-	-	-	-	-	2,462,253
Due to Employees' Retirement System	304,774	-	-	-	-	-	304,774
Other Liabilities	108,429	-	-	-	-	-	108,429
Refundable Advances	-	44,880	78,868	-	-	-	123,748
Bond Anticipation Notes	-	-	-	-	6,550,000	-	6,550,000
Total Liabilities	4,180,029	896,679	144,549	-	8,225,887	-	13,447,144
Deferred Inflows of Resources - Leases	1,459,052	-	-	-	-	-	1,459,052
Total Deferred Inflows of Resources	1,459,052	-	-	-	-	-	1,459,052
Fund Equity							
Fund Equity:							
Non-spendable	-	-	9,077	-	-	-	9,077
Restricted	6,038,460	-	16,543	95,972	-	58	6,151,033
Committed	-	-	-	-	-	-	-
Assigned	1,003,558	-	812,225	-	-	-	1,815,783
Unassigned	2,554,933	-	-	-	(831,308)	-	1,723,625
Total Fund Equity	9,596,951	-	837,845	95,972	(831,308)	58	9,699,518
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	$ 15,236,032	$ 896,679	$ 982,394	$ 95,972	$ 7,394,579	$ 58	$ 24,605,714

Amounts reported for governmental activities in the statement of net position are different due to the following:

Fund equity of the governmental funds	$ 9,699,518
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	49,789,455
Accrued interest expense is reported under the accrual basis	(57,200)
Net pension asset	25,420,123
Lease Asset	590,015
Lease Liability	(428,905)
Net deferred (inflows)/outflows related to other post employment benefits	(22,424,225)
Net deferred (inflows)/outflows related to net pension asset/liability adjustments	(15,418,679)
Loss on refunding	69,810
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(150,231,905)
Net Position of Governmental Activities	$ (102,991,993)

AVERILL PARK CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Capital Fund	Debt Service Fund	Total Governmental Funds
Revenues							
Real Property Taxes and Tax Items	$ 32,833,431	$ -	$ -	$ -	$ -	$ -	$ 32,833,431
Charges for Services	1,264,997	-	-	-	-	-	1,264,997
Use of Money and Property	328,403	-	-	-	-	58	328,461
Sale of Property and Compensation for Loss	16,623	-	-	-	1,077,785	-	1,094,408
Miscellaneous	479,435	-	2,087	23,105	-	-	504,627
State Sources	25,578,166	160,131	31,099	-	206,999	-	25,976,395
Federal Sources	277,653	2,957,798	1,495,854	-	-	-	4,731,305
Sales	-	-	165,490	-	-	-	165,490
Total Revenues	60,778,708	3,117,929	1,694,530	23,105	1,284,784	58	66,899,114
Expenditures							
General Support	6,124,742	-	458,849	-	-	-	6,583,591
Instruction	30,894,742	3,156,201	-	26,430	-	-	34,077,373
Pupil Transportation	3,067,531	82,475	-	-	-	-	3,150,006
Employee Benefits	15,429,045	-	119,030	-	-	-	15,548,075
Debt Service	3,949,367	-	-	-	-	-	3,949,367
Cost of Sales	-	-	528,064	-	-	-	528,064
Lease Expense	184,551	-	-	-	-	-	184,551
Capital Outlay	-	-	-	-	4,273,809	-	4,273,809
Total Expenditures	59,649,978	3,238,676	1,105,943	26,430	4,273,809	-	68,294,836
Excess (Deficiency) of Revenues Over Expenditures	1,128,730	(120,747)	588,587	(3,325)	(2,989,025)	58	(1,395,722)
Other Financing Sources And (Uses)							
Interfund Transfers, net	(1,400,992)	120,747	50,000	-	1,318,245	(88,000)	-
Proceeds of Bond Issuance	-	-	-	-	834,474	-	834,474
Proceeds of Leases	-	-	-	-	144,775	-	144,775
Total Other Sources (Uses)	(1,400,992)	120,747	50,000	-	2,297,494	(88,000)	979,249
Excess of Revenues and Other Sources Over Expenditures and Other (Uses)	(272,262)	-	638,587	(3,325)	(691,531)	(87,942)	(416,473)
Fund Equity, Beginning of Year	9,869,213	-	199,258	99,297	(139,777)	88,000	10,115,991
Fund Equity, End of Year	$ 9,596,951	$ -	$ 837,845	$ 95,972	$ (831,308)	$ 58	$ 9,699,518

See accompanying notes to financial statements.

AVERILL PARK CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Net changes in fund balance - total governmental funds			$	(416,473)
Capital outlays for the purchase of 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.				
Depreciation expense	$	(4,474,831)		
Capital outlays (excluding retainage)		4,270,370		(204,461)
Outlays for the acquisition of leased 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 amortization expense in the statement of activiities.				
Amortization expense	$	(203,533)		
Lease expenditures		225,535		22,002
The net book value, cost less accumulated depreciation, of capital assets disposed of are removed from the statement of net position. Any gain or loss resulting is recorded in the statement of activities.				(7,349)
Interest is recognized as an expense in the governmental funds when paid. For governmental activities, interest expense is recognized as it accrues.				2,423
Proceeds of serial bond principal and premiums on bonds is revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net position.				(834,474)
Repayments of long-term debt are recorded as expenditures in the governmental funds but are recorded as payments of liabilities in the statement of net position.				3,317,233
Lease proceeds are revenue in governmental funds but increase long-term liabilities in the statement of net position.				(144,775)
Lease principal payments are expenditures in governmental funds but are recorded as payments of liabilities in the statement of net position				174,075
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:				
Workers Compensation				(21,485)
Other Post Employment Benefits				(285,816)
Compensated Absences				47,762
Adjustments for net pension asset - ERS				805,184
Adjustments for net pension asset - TRS				3,768,959
Amortization of bond premium, issuance costs and loss on refunding bonds is an adjustment to interest expense in the statement of activities.				217,689
Change in net position - governmental activities			$	6,440,494

See accompanying notes to financial statements.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Averill Park Central School District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standards-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

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

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

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of an entity included in the District's reporting entity:

<u>The Extraclassroom Activity Funds</u>

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. However, due to administrative involvement defined in footnote 1 to paragraph 8b of GASB 84, the District accounts for these student organization funds within the General Fund. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office, located at 146 Gettle Rd, Averill Park, NY.

B. Joint Venture

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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

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

During the year ended June 30, 2022, the Averill Park Central School District was billed $4,476,640 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to $1,416,990. Financial statements for the BOCES are available from the BOCES administrative offices.

C. Basis of Presentation

I. District-wide statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fund financial statements

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

The District reports the following major governmental funds:

a. Governmental Funds

General Fund

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

Special Aid Fund

These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund

Used to account for transactions of the District's lunch and breakfast programs whose funds are restricted as to use.

Special Revenue Fund

Used to account for revenues legally restricted to expenditures for specific purposes such as scholarships. The fund balance any residual equity in the miscellaneous special revenue fund is reported as restricted fund balance and disclosed as such in the restricted fund balance footnote.

Capital Fund

The Capital Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipment.

Debt Service Fund

This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligations debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fund financial statements

b. Fiduciary Funds

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included the District wide financial statements because their resources do not belong to the District and are not available to be used.

There are two classes of fiduciary funds:

a. Private purpose trust funds: These funds are used to account for trust arrangements under which principal and income benefits individuals, private organizations or other governments. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

b. Custodial funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations.

There are no activities that meet the criteria to be reported as fiduciary funds.

D. Basis of Accounting/Measurement Focus

General Information

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 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 payable, pensions 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 sources.

E. Refundable Advances

Refundable advances arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, 2021 and became a lien on August 30, 2021. Taxes were collected during the period September 1 through October 31, 2021.

II. Enforcement

Uncollected real property taxes are subsequently enforced by the County of Rensselaer, in which the District is located. An amount representing uncollected real property taxes transmitted to the county for enforcement is paid by the county to the District no later than the following April 1.

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

b. The proposed appropriation budget for the General Fund is approved by the voters within the District.

c. Appropriations are adopted at the line item level.

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

From Additional Revenues:	
Expenses associated with educational programs	$ 42,809
From Reserved Fund Balance:	
Expenses associated with employee benefits	76,141
Expenses associated with property loss	1,255,000
Total Supplemental Appropriations	$ 1,373,950

e. 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.

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

II. Encumbrances

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

III. Budget Basis of Accounting

The District is not required to formally adopt annual budgets for its special revenue funds. Accordingly, although the school lunch fund does have a management approved budget and each special aid fund project follows an approved project budget, no statement of budget and actual revenues and expenditures is presented for the special revenue funds.

H. Cash and Investments

The District investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments are stated at fair value. Certificates of deposit are classified as investments in these financial statements if their maturity date is 90 days past year-end. There were no investments at June 30, 2022.

I. Accounts Receivable

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

J. Inventories

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

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

K. Interfund Transfers

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Interfund Transfers

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

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

Refer to Note 2.A.II. for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

L. Equity Classifications

District-wide statements:

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

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

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

Unrestricted - reports the balance of 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 Fund Statements:

In the fund basis statements there are five classifications of fund equity:

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund equity includes the inventory recorded in the School Lunch Fund of $9,077.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of all other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund equity. The District has established the following restricted fund balances:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Debt Service

Used to account for the advanced refunding of debt and unspent proceeds of debt restricted for debt service.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, these reserve funds must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Retirement Contribution

According to General Municipal Law §6-r, these reserve funds must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. 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. 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, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with the existing General Municipal Law §6-r.

Property Loss Reserve

According to Education Law §1709[8-c]) these reserve funds are used to establish and maintain a program of reserves to cover property loss claims incurred. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. Annual contribution(s) limited to 3 percent of the annual budget or $15,000, whichever is greater. Funds cannot be used for another purpose without voter approval except the Board of Education may use monies not required to settle pending claims, to purchase insurance policies to cover losses previously self-insured. Balances may not be reduced below amounts required to settle all pending claims.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Tax Certiorari Reserve

According to Education Law §3651[1-a]) Chapter 588 of the Laws of 1988 amended Section 3651 of the Education Law to permit the establishment of a reserve fund for tax certiorari and to expend from the fund without voter approval of the qualified voters of the school district. The new chapter further stipulates that the total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings in accordance with Article 7 of the Real Property Tax Law. Any monies deposited to such a reserve fund which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies into the reserve unless claim(s) are still open and not finally determined or otherwise terminated or disposed for this purpose.

Workers' Compensation

According to General Municipal Law §6-j, these reserve funds must be used to pay compensation and benefits, medical, hospital, or other expenses authorized by Article 2 of the Workers' Compensation Law and to pay the expenses of administering a self-insurance workers' compensation 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 the Board may elect to transfer all or part of the excess amount to certain other reserve funds, or may apply all or part of the excess to the budget appropriation of the next succeeding fiscal year.

Insurance

This reserve was established according to General Municipal Law §6-n, and must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

Special Revenue Fund

Restricted for scholarships for students that meet donor specified criteria.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Restricted fund equity includes the following:

General Fund:		
Employee Benefit Accrued Liability	$	1,182,609
Retirement Contribution - NYSERS		3,081,008
Retirement Contribution - NYSTRS		523,677
Workers' Compensation		715,114
Property Loss Reserve		145,048
Tax Certiorari Reserve		41,004
Insurance Reserve		350,000
Debt Service Fund		58
Special Revenue Fund		95,972
School Lunch Fund		
Encumbrances		16,543
Total restricted funds	$	6,151,033

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 District has no committed fund balances as of June 30, 2022.

Assigned - Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund equity represents the residual amount of fund equity. Assigned fund equity also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted as the end of the fiscal year. Fund balance of the school lunch fund of $812,225 is considered assigned. All encumbrances of the General Fund are classified as Assigned Fund Equity in the General Fund. Encumbrances reported in the General Fund amounted to $223,558. Appropriated fund equity in the General Fund amounted to $780,000.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Encumbrances

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

Purpose of Encumbrances

General Fund	
General Support	$ 63,262
Instruction	157,265
Other	3,031
Total	$ 223,558

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

NYS Real Property Tax Law Section 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund equity 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. The District did not exceed the 4% limit at June 30, 2022.

Net Position/Fund Balance

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Order of Use of Fund Equity:

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

M. Postemployment Benefits

In addition to providing the retirement benefits described in Note 2.B.I, the District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-employment benefits is shared between the District and the retired employee. See Note 4.

N. Deferred Outflows and Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Deferred Outflows and 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 three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportionate share of the collective net pension liability (TRS and ERS System) 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 the OPEB report in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs. The third item relates to the straight-line amortization of leases.

O. Capital Assets and Lease Assets

Capital assets are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

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

		Capitalization Threshold	Depreciation Method	Estimated Useful Life In Years
Land	$	1,000	N/A	N/A
Construction in Process		10,000	N/A	N/A
Buildings		10,000	SL	30-60
Site improvements		10,000	SL	10-50
Buildings and improvements		10,000	SL	20-60
Furniture and equipment		1,000	SL	5-10

Lease Assets

The District-wide financial statements, lease assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 4 and 5 years based on the contract terms and/or estimated replacement of the assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Short-Term Debt

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

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

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

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

Q. Accrued Liabilities and Long-Term Obligations

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

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

a. Total Fund equity of governmental fund vs. net position of governmental activities:

   Total fund equity of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital and lease assets and long-term liabilities including pensions.

b. Statement of Revenues, Expenditures and Changes in Fund Equity vs. Statement of Activities:

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

Long-Term Revenue and Expense 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.

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 an asset on the Statement of Net Position and depreciation expense on those items as recorded in the Statement of Activities.

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 principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Pension Differences

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

OPEB Differences

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

S. Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other postemployment benefits, actuarial calculation of net pensions asset/liability, deferred inflows/outflows, potential contingent liabilities, and the lives of long-term assets.

T. Vested Benefits

District employees are granted vacation in varying amounts, based principally 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. Sick leave use is based on a last-in, first-out (LIFO) basis. Upon retirement, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, 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 applicable contract rates in effect at year-end.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2022, the District implemented the following new standard issued by GASB:

GASB issued Statement No. 87, Leases, effective for the year ending June 30, 2022. See Note 9.

GASB has issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB has issued Statement No. 92, Omnibus, effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB has issued Statement No. 93, Replacement of Interbank Offered Rates (paragraphs 11b, 13 and 14), effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB has issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32, effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB has issued Statement No. 96 - Subscription-Based Information Technology Arrangements, effective for the year ending June 30, 2023. This standard was implemented early as permitted. See Note 9.

GASB has issued Statement No. 98 - *The Annual Comprehensive Financial Report*, effective for the year ending June 30, 2022. This standard had no impact on the District.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 91, Conduit Debt Obligations, effective for the year ending June 30, 2023.

GASB has issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ending June 30, 2023.

GASB has issued Statement No. 99 - *Omnibus 2022*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 100 - *Accounting Changes and Error Corrections*, effective for the year ending June 30, 2024.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

V. Future Changes in Accounting Standards

GASB has issued Statement No. 101 – *Compensated Absences*, effective for the year ending June 30, 2025.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash

<u>Deposits</u>

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

<u>Investment and Deposit Policy</u>

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

<u>Interest Rate Risk</u>

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

<u>Credit Risk</u>

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

- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash

Custodial Credit Risk

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

The District restricts the securities to the following eligible items:

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

Restricted Cash

General Fund

Restricted cash of $6,201,817 at June 30, 2022 consist of amounts restricted for the following purposes; Extraclassroom Activities $108,429, Agency Activities $54,928, Workers' Compensation Reserve $715,114, Retirement Contribution Reserve-NYSERS $3,081,008, Retirement Contribution Reserve-NYSTRS $523,677, Employee Benefit Accrued Liability Reserve $1,182,609, Property Loss Reserve $145,048, Insurance Reserve $350,000, and Tax Certiorari Reserve $41,004.

Debt Service

Restricted cash of $40 at June 30, 2022 is restricted for the repayment of debt.

Miscellaneous Special Revenue Fund

Restricted cash of $95,972 at June 30, 2022 is restricted for payment of scholarships.

Capital Fund

Restricted cash of $6,412,505 at June 30, 2022 is restricted for payment of expenditures related to voter approved capital projects.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Interfund Receivables and Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund receivable and payable balances at June 30, 2022 are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 2,629,436	$ 241,606	$ 88,000	$ 1,488,992
Special Aid Fund	72,642	851,570	120,747	-
School Lunch	56,583	63,416	50,000	-
Debt Service Fund	18	-	-	88,000
Capital Funds	-	1,602,087	1,318,245	-
Total	$ 2,758,679	$ 2,758,679	$ 1,576,992	$ 1,576,992

III. Capital Assets

	Balance July 1, 2021	Additions	Impairments/ Deletions	Balance June 30, 2022
Government Activities				
Capital assets that are not				
depreciated:	$ 90,062	$ -	$ -	$ 90,062
Land	915,106	897,345	-	1,812,451
Construction in process	1,005,168	897,345	-	1,902,513
Total nondepreciable historical cost				
Capital assets that are depreciated:				
Buildings and improvements	98,743,550	1,401,841	8,853	100,136,538
Furniture and equipment	10,869,770	1,971,184	607,403	12,233,551
Total depreciable historical cost	109,613,320	3,373,025	616,256	112,370,089
Less accumulated depreciation:				
Buildings and improvements	53,829,898	3,389,598	3,267	57,216,229
Machinery and equipment	6,787,324	1,085,233	605,639	7,266,918
Total accumulated depreciation	60,617,222	4,474,831	608,906	64,483,147
Total Capital Assets, Net	$ 50,001,266	$ (204,461)	$ 7,350	$ 49,789,455

2. DETAIL NOTES ON ALL FUNDS

A. Assets

III. Capital Assets

Depreciation expense of $4,474,831 for the year ended June 30, 2022 was allocated to specific functions as follows:

General	$ 683,310
Instruction	3,449,054
Pupil transportation	342,467
	$ 4,474,831

B. Liabilities

I. Pension Plans

General Information

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

Plan Descriptions

Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. 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.

Contributions

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

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	ERS	TRS
2021-22	$ 975,846	$ 2,361,757
2020-21	$ 1,155,769	$ 2,180,504
2019-20	$ 1,021,048	$ 2,013,510

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Liabilities

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

	ERS	TRS
Actuarial valuation date	April 1, 2021	June 30, 2020
Net pension asset/(liability)	$1,848,487	$23,571,636
District's portion of the Plan's total net pension asset/(liability)	.0226126%	.136024%

Pension Expense (Credit)

For the year ended June 30, 2022, the District recognized its proportionate share of pension expense of $83,604 for ERS and $1,350,691 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experiences	$ 139,989	$ 3,249,100	$ 181,573	$ 122,465
Changes of assumptions	3,084,918	7,753,204	52,055	1,372,978
Net difference between projected and actual earnings on pension plan investments	-	-	6,053,021	24,670,156
Changes in proportion and differences between contributions and proportionate share of contributions	255,977	182,559	19,504	279,205
Contributions subsequent to the measurement date	304,774	2,361,757	-	-
Total	$ 3,785,658	$ 13,546,620	$ 6,306,153	$ 26,444,804

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (liability)/asset in the year ended March 31, 2023 for ERS and June 30, 2022 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized within pension expense as follows:

	ERS	TRS
Year ended:		
2022	$ -	$ (3,076,092)
2023	(373,610)	(3,596,623)
2024	(609,682)	(4,499,252)
2025	(1,528,342)	(5,946,294)
2026	(313,635)	1,084,861
Thereafter	-	773,459

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.7%	2.40%
Projected Cost of Living Adjustments	1.4% annually	1.3% annually

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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

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

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 the measurement date are summarized below:

ERS	**Target Allocation 2022**	**Long-term expected Real rate of return* 2022**
Asset Class:		
Domestic equity	32%	3.30%
International equity	15	5.85
Private equity	10	6.50
Real Estate	9	5.00
Opportunistic ARS portfolio	3	4.10
Credit	4	3.78
Real assets	3	5.80
Fixed income	23	0.00
Cash	1	(1.00)
Total	100%	

* Real rates of return are net of the long-term inflation assumption of 2.50% for 2022.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

TRS		Target Allocation 2021	Long-term expected Real rate of return* 2021
Asset Class:			
Domestic equity		33%	6.8%
International equity		16	7.6
Global equity		4	7.1
Real estate equity		11	6.5
Private equity		8	10.0
Domestic fixed income		16	1.3
Global bonds		2	0.8
High-yield bonds		1	3.8
Private debt		1	5.9
Real estate debt		7	3.3
Cash equivalents		1	(0.2)
	Total	100%	

* Real rates of return are net of the long-term inflation assumption of 2.40% for 2021.

Discount Rate

The discount rate used to calculate the total pension (liability)/asset was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, 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)/asset.

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

The following presents the District's proportionate share of the net pension (liability)/asset calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

ERS	**1% Decrease (4.9%)**	**Current Assumption (5.9%)**	**1% Increase (6.9%)**
Employer's proportionate share of the net pension asset/(liability)	$ (4,757,986)	$ 1,848,457	$7,374,454

TRS	**1% Decrease (5.95%)**	**Current Assumption (6.95%)**	**1% Increase (7.95%)**
Employer's proportionate share of the net pension asset/(liability)	$ 2,473,500	$23,571,636	$41,303,089

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2022 is $184,202 for ERS and $1,384,632 for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $304,774.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $2,462,253.

Other Benefits

District employees may choose to participate in the District's elective deferred compensation plans established under the Internal Revenue Code Section 403(b) and 457.

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

Interest on short-term debt was comprised of:

Interest paid	$	-
Less interest accrued in the prior year		-
Plus interest accrued in the current year		5,735
Total Expense	$	5,735

The following is a summary of changes in short-term debt:

Balance July 1	$	-
Increases		6,550,000
Decreases		-
Balance June 30	$	6,550,000

The above BAN matures June 22, 2023 at an interest rate of 1.97%.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The 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.

Interest on long-term debt was comprised of:

Interest paid	$ 642,610
Less interest accrued in the prior year	(59,624)
Plus interest accrued in the current year	51,465
Less amortization of bond premium	(298,294)
Plus amortization of deferred expense	80,605
Total Expense	$ 416,762

Long-Term Obligations

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Changes

The changes in indebtedness during the year ended June 30, 2022 are summarized as follows:

	As Restated Balance July 1	Additions	Deletions	Balance June 30
Serial Bonds	$ 12,995,000	$ -	$ 2,530,000	$ 10,465,000
Unamortized Premiums	1,192,666	-	298,294	894,372
Less: Unamortized Loss Refunding*	(150,415)	-	(80,605)	(69,810)
Total Bonds	14,037,251	-	2,747,689	11,289,562
Statutory Bonds	2,277,725	834,474	787,233	2,324,966
Compensated Absences	1,935,978	28,379	76,141	1,888,216
Workers Compensation	493,619	21,485	-	515,104
Other Postemployment Benefits (see Note 4)	163,994,969	8,904,386	38,755,108	134,144,247
Lease Liability (See Note 7)	458,206	144,775	174,076	428,905
Total	$ 183,197,748	$ 9,933,499	$ 42,540,247	$ 150,591,000

The above liabilities are liquidated by the general fund.

*This item is recorded as a deferred outflow on the statement of net position.

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. $3,060,000 of bonds outstanding are considered defeased.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Original Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2022
Bond Anticipation Note				
$6.55 million Reconstruction	2022	2023	1.97%	$ 6,550,000
Serial Bonds				
$19.5 million Construction - Refunding	2005	2023	3.75%-4.125%	$ 945,000
$13.1 million Excel I - Refunding	2010	2024	4.875%-5.00%	2,030,000
$10.4 million Excel II	2017	2032	2.34%	7,490,000
Total Serial Bonds				$ 10,465,000
Installment Obligation $798,878	2017	2022	2.27%	$ 159,778
Installment Obligation $720,538	2019	2023	2.89%	288,214
Installment Obligation $809,834	2020	2024	2.11%	485,900
Installment Obligation $695,750	2021	2025	1.19%	556,600
Installment Obligation $834,474	2022	2027	1.25%	834,474
Total Statutory Bonds				$ 2,324,966

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

Year	Principal	Interest	Premium	Total
2023	$ 3,406,898	$ 531,737	$ 252,197	$ 4,190,832
2024	2,377,118	415,662	204,192	2,996,972
2025	1,233,011	316,237	159,967	1,709,215
2026	1,106,045	270,828	90,821	1,467,694
2027	1,006,894	227,086	73,868	1,307,848
2028-2034	3,660,000	463,750	113,327	4,237,077
Total	$ 12,789,966	$ 2,225,300	$ 894,372	$ 15,909,638

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

III. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the District. At June 30, 2022, the District has exhausted 11.70% of its constitutional debt limit.

The voters have authorized the following debt which was unissued at June 30, 2022; $28,527,000 to finance capital improvements at the District. The $6,550,000 bond anticipation note was issued under this authorization. This bond will be issued when the capital projects are complete.

IV. Deferred Inflows of Resources

Deferred inflows of resources on the balance sheet - governmental funds arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current periods and is contingent on future outcomes not expected to occur within the availability period.

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

General Information

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

Workers' Compensation Insurance

The District is self-insured for workers' compensation benefits on a cost-reimbursement basis. The District has contracted with Benetech, Inc. as a third-party administrator of the District's workers' compensation insurance program. Under the program, the District is responsible for paying all claims. Some qualifying claim payments made by the District are reimbursed through excess cost insurance or through various funds administered by the New York State Workers' Compensation Board. The District purchases workers' compensation insurance coverage for paid workers' compensation claims in excess of $600,000 per individual occurrence through the Statewide Excess Insurance Purchasing Cooperative.

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Workers' Compensation Insurance

The District establishes workers compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, referred to as Claim Reserve and of claims that have been incurred but not reported, referred to as IBNR. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims cost projections does not necessarily result in an exact amount. Claims cost projections are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience.

The District budgets current funds to pay for ongoing claims expense. The District has also established a Workers' Compensation Reserve with a balance of $715,114 as of June 30, 2022 to fund future claims and as cash flow protection in the event of a significant claim occurrence. Further, the District expects to be fully reimbursed through excess cost insurance on an individual claim with a current claim reserve of $5,646 which is included in the balance of unpaid claims as of June 30, 2022.

The following represents changes in those aggregate liabilities for the District during the past two years:

Workers' Compensation Insurance

	2022	2021
Unpaid claims and claim adjustment expenses at beginning of year	$ 493,619	$ 715,039
Incurred claims and claim adjustment expenses	109,222	10,334
Increase (decrease) in provision for incurred events of prior years (Claim Reserve)	(48,986)	(75,996)
Total incurred claims and claim adjustment expenses	553,855	649,377
Payments made for claims during the current year	(38,751)	(155,758)
Total unpaid claims and claim adjustment expenses at end of year	$ 515,104	$ 493,619

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Health Insurance Plan

The District entered on July 1, 2017 as a member of the Capital Area Schools Health Insurance Consortium (the "Consortium"), which is a trust formed under New York State Law on May 1, 1994. The Consortium is considered a public entity risk pool which is defined as a cooperative group of governmental entities joining together to finance an exposure, liability or risk, and is tax-exempt under Section 501(c)(9) of the Internal Revenue Code. The Consortium is governed by a trust agreement and a board of trustees who execute the provisions of the Trust, as set forth in the agreement. The Consortium has contracted with Amsure Associates for third party administration.

The Consortium was formed to allow its member school districts to obtain health insurance and prescription drug benefits at lower cost through a pooled purchasing arrangement. The Consortium procures group insurance contracts with insurance carriers for medical, prescription drug and dental benefits, in which the Consortium is not liable for any medical, prescription drug or dental claims. However, the Consortium also maintains a self-insured prescription drug plan for which the individual Consortium members are liable for any claims in excess of the balances maintained by the Consortium. As of June 30, 2022, the District's prescription drug plan account balance maintained by the Consortium is approximately $1.9 million. The Consortium also maintains an account balance for the District of $369,774 to fund supplemental premium payments that may be required under the retrospective funding arrangement in place for one of the insurance contracts.

The District has chosen to establish a self-funded prescription drug benefit program for all eligible employees. The pharmacy benefit manager, Blue Shield of Northeastern New York, is responsible for the approval, processing and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The benefit program reports on a fiscal year ending June 30. The program is accounted for in the General Fund of the District. At year-end, the District has a liability of $0. With electronic claims submissions, all incurred claims are reported within two weeks, and have been included within the fiscal year's claims, effectively representing reported and unreported claims which were incurred on or before year-end, but which were not paid by the District as of that date. Claims activity is summarized below for the past fiscal year and when available in future years, comparative data will also be reported:

	2021-2022
Claims and Administration Fees	$ 4,432,435
Claim Payments	(4,432,435)
Estimated Incurred but not reported as of June 30	-
Balance at End of Year	$ -

3. COMMITMENTS AND CONTINGENCIES

B. Other Items

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

4. POSTEMPLOYMENT BENEFITS

Plan Description

The District administers a defined benefit OPEB plan and provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit plan (the Plan). The Plan provides Article 11 of the State Compiled Statues which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in trust that meet the criteria in paragraph 4 of Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when they retired and their applicable agreement. Employees are required to reach age 55 and have 5 to 16 years of service to qualify for other postemployment benefits. The District currently funds the plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2022, $3,700,240 was paid on behalf of 407 retirees.

Benefits Provided

The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

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

Inactive plan members or beneficiaries currently receiving benefit payments	407
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	361
Total Plan Members	768

4. POSTEMPLOYMENT BENEFITS

Net OPEB Liability

The District's total OPEB liability of $134,144,247 was measured as of June 30, 2022; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2020.

Actuarial Assumptions and Other Inputs

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

Inflation	2.60% (Based on CPI-2017 OASDI Trustee Report)
Salary increases	2.60% (including inflation)
Discount Rate	3.54% (Bond Buyer General Obligation 20-year Municipal Index)
Healthcare cost trend rates	
Pre-Medicare	5.30% scaling down to 4.10% over 55 years.
Medicare	N/A

Mortality rates were based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2019.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit and 20% of future spouses of retirees eligible for coverage will elect the benefit. Marriage assumption, it was assumed that 80% of future retirees will be married, with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate was based on the Bond Buyer GO 20-year Municipal Bond Index.

4. POSTEMPLOYMENT BENEFITS

Changes in the Net OPEB Liability

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

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at June 30, 2021	$163,994,969	$ -	$163,994,969
Changes for the year:			
Service cost	5,287,631	-	5,287,631
Interest	3,616,755	-	3,616,755
Effect of plan changes	-	-	-
Effect of demographic gains or losses	-	-	-
Net investment income	-	-	-
Changes of assumptions or other inputs (change in discount rate)	(35,054,868)	-	(35,054,868)
Benefit payments	(3,700,240)	-	(3,700,240)
Administrative expense	-	-	-
Net changes	(29,850,722)	-	(29,850,722)
Balances, June 30, 2022	$134,144,247	$ -	$134,144,247

Changes of benefit terms reflect changes in assumptions and other inputs including a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	$158,367,643	$134,144,247	$114,909,425

4. POSTEMPLOYMENT BENEFITS

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (4.30% Decreasing to 3.10%)	Healthcare Cost Trend Rate (5.30% Decreasing to 4.10%)	1% Increase (6.30% Decreasing to 5.10%)
Total OPEB Liability	$111,101,116	$134,144,247	$164,084,384

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

For the year ended June 30, 2022, the District recognized OPEB expense of $3,986,056. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 485,149	$ (12,673,589)
Changes of assumptions	24,467,576	(34,703,361)
Total	$ 24,952,725	$ (47,376,950)

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

Year Ending June 30,	
2023	$ (4,918,330)
2024	(4,918,330)
2025	(4,126,039)
2026	(6,477,288)
2027	(1,984,238)
Thereafter	-

5. DEFICIT FUND BALANCE

The Capital fund had a fund deficit of $831,308. This deficit will be removed when the District issues long-term financing.

6. TAX ABATEMENTS

The County of Rensselaer enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. No tax abatements were entered into during June 30, 2022 that impact the District.

7. LEASE OBLIGATIONS

Lease Assets

A summary of the lease asset activity during the year ended June 30, 2022 is as follows:

	As Restated Balance July 1	Additions	Deletions	Balance June 30
Lease Assets				
Furniture and equipment	$ 568,013	$ 225,535	$ -	$ 793,548
Less accumulated amortization	-	203,533	-	203,533
Total Lease Assets, Net	$ 568,013	$ 22,002	$ -	$ 590,015

Amortization expense is allocated to instruction on the statement of activities.

Lease agreements are summarized as follows:

	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2022
Furniture and equipment	7/1/19	4 years	$ 28,047	4.99%	$ 76,389	$ 52,156
Furniture and equipment	7/1/20	4 years	46,263	3.31%	130,083	88,126
Furniture and equipment	7/1/21	4 years	30,204	3.76%	114,400	84,196
Furniture and equipment	7/1/19	5 years	39,488	1.79%	115,240	77,512
Furniture and equipment	7/1/20	5 years	34,341	0.31%	136,494	102,529
Furniture and equipment	7/1/21	5 years	6,208	0.89%	30,375	24,386
Total Lease Agreements						$ 428,905

The computer equipment and printers were leased for the District with the terms noted above. This lease is not renewable and the District will not acquire the equipment at the end of the five years.

7. LEASE OBLIGATIONS

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

Year Ending June 30,	Principal	Interest
2023	$ 174,319	$ 10,232
2024	178,894	5,657
2025	69,514	1,239
2026	6,178	30
2027	-	-
	$ 428,905	$ 17,158

Lease Receivable

The District is reporting a Lease Receivable of $1,467,818 at June 30, 2022. For the year ended June 30, 2022, the District reported lease revenue of $184,855 and interest revenue of $10,544 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
George-Washington Elementary	$ 1,453,609	$ 180,605	$ 10,544
GCC	14,209	4,250	-

George Washington Elementary - On July 1, 2020, the District entered into a ten-year lease agreement with the Board of Cooperative Educational Services, Rensselaer, Columbia and Green Counties for the lease of real property that is part of the District. Based on this agreement, the District is receiving monthly payments through 2030. The lease may be renewed upon a mutual written agreement.

GCC - On March 22, 2021, the District entered into a four-year lease agreement with Greenbush Child Caring, Inc. for the lease of certain premises located within Mill Hill-Sand Lake School. Based on this agreement, the District is receiving monthly payments through 2024. There are no renewal options included in this lease agreement.

8. CONTINGENCY

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a respiratory disease, to be a pandemic. It is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future operations. The District's operations are heavily dependent on real property taxes and state aid. The outbreak will likely have a continued material adverse impact on the economy and cost of education. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued. In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The District was awarded two different stimulus packages known as Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA).

8. CONTINGENCY

See the schedule of expenditures of federal awards for the COVID-19 funding received by the District. All stimulus funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. The District also provided free breakfast and lunches to all students (except those who opted out) through the Federal Summer Food Service Program as well as National School Lunch and Breakfast programs.

9. CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE

Changes in Accounting Principles

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases* and GASB Statement No. 96*, Subscription-Based Information Technology Arrangements*. The implementation of the statement changes the reporting for leases and subscription-based information technology agreements.

For the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases.* The District's net position has been restated as follows:

Restatement of Net Position

Statement of Activities	
Net position beginning of year, as previously stated	$ (109,542,294)
Lease assets	568,013
Lease liability	(458,206)
Net position beginning of year, as restated	$ (109,432,487)

10. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 21, 2022, which is the date these financial statements were issued. All subsequent events requiring recognition or disclosure as of June 30, 2022 have been incorporated into these financial statements.

AVERILL PARK CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
Revenues				
Local Sources				
Real Property Taxes	$ 32,790,622	$ 32,790,622	$ 32,789,187	$ (1,435)
Real Property Tax Items	50,000	50,000	44,244	(5,756)
Charges for Services	883,596	888,872	1,264,997	376,125
Use of Money and Property	315,400	315,400	328,403	13,003
Sale of Property and Compensation for Loss	1,000	1,000	16,623	15,623
Miscellaneous	317,500	355,033	479,435	124,402
Total Local Sources	34,358,118	34,400,927	34,922,889	521,962
State Sources	25,640,729	25,640,729	25,578,166	(62,563)
Federal Sources	90,000	90,000	277,653	187,653
Other Sources				
Interfund Transfers	588,000	588,000	88,000	(500,000)
Total Revenue and Other Sources	60,676,847	60,719,656	$ 60,866,708	$ 147,052
Appropriated Fund Equity				
Prior Year's Encumbrances	313,334	313,334		
Appropriated Fund Equity	780,000	780,000		
Appropriated Reserves - Employee Benefits	-	76,141		
- Reserve for Property Loss	-	1,255,000		
Total Appropriated Fund Equity	1,093,334	2,424,475		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 61,770,181	$ 63,144,131		

AVERILL PARK CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Actual and Encumbrances
Expenditures					
General Support					
Board of Education	$ 43,265	$ 47,679	$ 40,993	$ -	$ 6,686
Central Administration	401,319	396,418	393,820	-	2,598
Finance	618,890	659,708	639,941	3,830	15,937
Staff	414,616	638,789	588,328	17,250	33,211
Central Services	3,530,472	3,538,826	3,401,715	42,182	94,929
Special Items	989,204	1,064,596	1,059,945	-	4,651
Total General Support	5,997,766	6,346,016	6,124,742	63,262	158,012
Instruction					
Instruction, Administration & Improvement	1,660,213	1,744,654	1,661,364	20	83,270
Teaching - Regular School	16,920,155	16,928,803	16,748,564	72,276	107,963
Programs for Students with Disabilities	7,177,862	7,451,391	7,161,232	53,610	236,549
Occupational Education	664,264	678,030	678,030	-	-
Teaching - Special Schools	54,845	54,845	42,256	50	12,539
Instructional Media	1,738,730	1,613,857	1,561,896	18,182	33,779
Pupil Services	3,032,321	3,097,178	3,041,400	13,127	42,651
Total Instruction	31,248,390	31,568,758	30,894,742	157,265	516,751
Other Pupil Transportation	3,382,146	3,247,888	3,067,531	3,031	177,326
Community Services	-	-	-	-	-
Employee Benefits	17,087,488	16,287,655	15,429,045	-	858,610
Debt Service					
Debt Service Principal	3,317,233	3,496,231	3,491,308	-	4,923
Debt Service Interest	632,158	642,858	642,610	-	248
Total Other Debt Service	24,419,025	23,674,632	22,630,494	3,031	1,041,107
Total Expenditures	61,665,181	61,589,406	59,649,978	223,558	1,715,870
Other Financing Uses					
Interfund Transfer	105,000	1,554,725	1,488,992	-	65,733
Total Expenditures and Other Uses	$ 61,770,181	$ 63,144,131	61,138,970	$ 223,558	$ 1,781,603
Net Change in Fund Equity			$ (272,262)		
Fund equity - beginning			9,869,213		
Fund equity - ending			$ 9,596,951		

AVERILL PARK CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

	Fiscal Year Ending * 2022	Fiscal Year Ending * 2021	Fiscal Year Ending * 2020	Fiscal Year Ending * 2019	Fiscal Year Ending * 2018
Total OPEB Liability					
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost	$ 5,287,631	$ 4,444,474	$ 4,142,922	$ 5,556,022	$ 5,060,746
Interest	3,616,755	3,578,078	4,674,099	4,336,555	4,130,949
Effect of Plan Changes	-	(637,982)	-	(973,511)	-
Effect of Demographic Gains or Losses	-	(19,343,899)	-	979,944	282,839
Effect of Assumption Changes or Inputs	(35,054,868)	20,310,627	22,706,077	(16,282,811)	-
Benefit payments	(3,700,240)	(3,611,897)	(3,312,091)	(3,111,804)	(3,120,741)
Net Change in Total OPEB Liability	(29,850,722)	4,739,401	28,211,007	(9,495,605)	6,353,793
Total OPEB Liability - beginning	163,994,969	159,255,568	131,044,561	140,540,206	134,186,413
Total OPEB Liability - ending	$ 134,144,247	$ 163,994,969	$ 159,255,568	$ 131,044,601	$ 140,540,206
Covered-employee payroll	$ 24,250,233	$ 24,250,233	$ 23,537,030	$ 23,537,030	$ 28,306,308
Total OPEB Liability as a percentage of covered-employee payroll	553.17%	676.26%	676.62%	556.76%	496.50%

* Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally, the amounts presented for each fiscal year were determined as of the measurement date above.

AVERILL PARK CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2022

ERS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0226126%	0.0225086%	0.0225086%	0.0238060%	0.0238060%	0.0238060%	0.0238060%	0.0200000%
Proportionate share of the net pension liability (asset)	$ (1,848,487)	$ 22,696	$ 5,943,213	$ 1,606,649	$ 726,454	$ 2,203,992	$ 3,834,736	$ 804,227
Covered-employee payroll	$ 8,308,856	$ 8,197,673	$ 8,164,824	$ 8,056,166	$ 6,663,551	$ 7,411,942	$ 7,533,893	$ 6,861,721
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-22.25%	0.28%	73%	20%	11%	30%	50.9%	11.7%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	98.24%	98.24%	98.24%	94.70%	90.7%	97.9%

TRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.136024%	0.130000%	0.130000%	0.133830%	0.135585%	0.123910%	0.129391%	0.129391%
Proportionate share of the net pension liability (asset)	$ (23,571,636)	$ 3,697,214	$ (3,399,661)	$ (2,420,005)	$ (1,030,584)	$ 1,426,129	$ (13,841,206)	$ (14,413,357)
Covered-employee payroll	$ 24,722,381	$ 23,686,411	$ 23,370,732	$ 22,585,183	$ 21,799,460	$ 21,948,466	$ 20,546,916	$ 19,511,261
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-95%	16%	-15%	-11%	-5%	6%	-66%	-74%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.46%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally, the amounts presented for each fiscal year were determined as of the measurement date as disclosed in the footnotes.

AVERILL PARK CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

ERS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,119,280	$ 1,061,754	$ 1,023,697	$ 979,728	$ 961,701	$ 1,044,669	$ 1,189,507	$ 1,308,693
Contributions in relation to the contractually required contribution	(1,119,280)	(1,061,754)	(1,023,697)	(979,728)	(961,701)	(1,044,669)	(1,189,507)	(1,308,693)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 8,308,856	$ 8,197,673	$ 8,164,824	$ 8,056,166	$ 6,663,551	$ 7,411,942	$ 7,533,893	$ 6,861,721
Contributions as a percentage of covered-employee payroll	13.47%	12.95%	12.54%	12.16%	14.43%	14.09%	15.79%	19.07%

TRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,200,250	$ 2,012,092	$ 2,319,629	$ 2,136,347	$ 2,518,138	$ 2,724,521	$ 3,458,291	$ 3,105,875
Contributions in relation to the contractually required contribution	(2,200,250)	(2,012,092)	(2,319,629)	(2,136,347)	(2,518,136)	(2,724,521)	(3,458,291)	(3,105,875)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 24,722,361	$ 23,686,411	$ 23,370,732	$ 22,585,183	$ 21,799,460	$ 21,948,466	$ 20,546,918	$ 19,511,261
Contributions as a percentage of covered-employee payroll	8.90%	8.49%	9.93%	9.46%	11.55%	12.41%	16.83%	15.92%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally, the amounts presented for each fiscal year were determined as of the measurement date as disclosed in the footnotes.

AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET AND
SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$	61,456,847
Add: Prior year's encumbrances		313,334
Original Budget		61,770,181
Additions:		
Budget Amendments		1,373,950
Final Budget	$	63,144,131

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 [subsequent year's] voter-approved expenditure budget			$	63,873,347
Maximum allowed (4% of 2022-23 [subsequent year's] budget)				2,554,934
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:				
Unrestricted Fund Balance:				
Committed Fund Balance	$	-		
Assigned Fund Balance		1,003,558		
Unassigned Fund Balance		2,554,933		
Total Unrestricted Fund Balance		3,558,491		
Less:				
Appropriated Fund Balance		780,000		
Encumbrances included in Committed and Assigned Fund Balance		223,558		
Total Adjustments		1,003,558		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law			$	2,554,933
Actual percentage				4.00%

* Per office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

Project Title	SED Project Number	Original	Revised	Expenditures: Prior Year's	Expenditures: Current Year's	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: State Sources	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance (Deficit) June 30, 2022
Capital Exclusion & Emergency Projects												
Algonquin Middle School - Emergency Project	0009-012	$ 150,000	$ 150,000	$ 6,024	$ 141,151	$ 147,175	$ (2,825)	$ -	$ -	$ 59,998	$ 59,998	$ (87,177)
Algonquin Middle School - Fire Alarm Project	0009-013	100,000	100,000	-	99,956	99,956	(44)	-	-	100,000	100,000	44
Algonquin Middle School - Flood Remediation		-	180,731	-	180,671	180,671	(60)	-	-	180,671	180,671	-
Agonquin Middle School - Flood Repair	0009-014	1,090,500	897,113	-	689,114	689,114	(7,999)	-	-	689,114	689,114	-
Averill Park High School - Flood Remediation		-	311,451	-	311,449	311,449	(2)	-	-	311,449	311,449	-
Averill Park High School - Flood Repair	0001-014	1,184,500	1,085,705	-	1,054,798	1,054,798	(30,907)	-	-	1,054,798	1,054,798	-
Miller Hill Sand Lake Elementary - Phase 1	0000-009	14,950	21,037	111	5,987	6,098	(14,939)	-	-	-	-	(6,098)
Averill Park High School - Phase 1	0001-015	23,750	29,730	177	6,437	6,614	(23,116)	-	-	-	-	(6,614)
Poestenkill Elementary School - Phase 1	0004-010	12,750	18,850	95	5,885	5,960	(12,890)	-	-	-	-	(5,960)
Bus Garage - Phase 1	5016-006	4,295,000	4,303,001	32,011	193,823	225,834	(4,077,167)	-	-	-	-	(225,834)
West Sand Lake - Phase 1	0006-010	67,750	73,470	505	3,868	4,373	(69,097)	-	-	-	-	(4,373)
George Washington School - Phase 1	0017-008	12,750	18,850	95	5,864	5,959	(12,891)	-	-	-	-	(5,959)
Algonquin Middle School - Phase 1	0009-015	34,750	40,819	259	7,244	7,503	(33,316)	-	-	-	-	(7,503)
Bus Garage - Phase 1A	5016-007	69,500	69,500	518	4,777	5,295	(64,205)	-	-	-	-	(5,295)
West Sand Lake - Phase 1A	0006-012	172,500	172,500	1,286	5,733	7,019	(165,481)	-	-	-	-	(7,019)
Algonquin Middle School - Phase 1A	0009-017	652,500	652,500	4,883	19,711	24,574	(627,926)	-	-	-	-	(24,574)
Algonquin Middle School - Phase 2	0009-016	5,183,850	5,183,850	38,636	192,669	231,305	(4,952,545)	-	-	-	-	(231,305)
Averill Park High School - Phase 2	0001-016	6,730,250	6,730,250	50,161	239,287	289,448	(6,440,802)	-	-	-	-	(289,448)
Press Box - Phase 2	7022-002	709,750	709,750	5,290	7,917	13,207	(696,543)	-	-	-	-	(13,207)
School Bus & Equipment Purchases		5,150,677	5,985,351	5,150,877	746,714	5,897,591	(87,780)	5,985,605	-	-	5,985,605	88,014
Smart Schools Bond Act Projects												
Security Enhancements		925,300	925,300	775,075	56,009	831,084	(94,216)	-	832,084	-	832,084	1,000
Chromebook Purchase		150,000	150,000	-	149,990	149,990	(10)	-	149,990	-	149,990	-
Lease Expense		-	-	-	144,775	144,775	144,775	-	-	144,775	144,775	-
Grand Totals		$ 26,731,227	$ 27,609,756	$ 6,085,983	$ 4,273,809	$ 10,339,792	$ (17,269,986)	$ 5,985,605	$ 982,074	$ 2,540,605	$ 9,508,484	$ (831,308)

AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022

Capital Assets, Net			$	49,789,455
Add:				
Unamortized deferred loss	$	69,810		
Capital fund - cash		6,412,505		
				6,482,315
Deduct:				
Bond anticipation notes	$	(6,550,000)		
Short-term portion of bonds payable		(3,406,898)		
Long-term portion of bonds payable		(9,383,068)		
Unamortized bond premium		(894,372)		
				(20,234,338)
Net Investment in Capital Assets			$	36,037,432

MARVIN
AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
A History of Shaping Futures

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

To the President and Members
of the Board of Education of the
Averill Park 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 and each major fund of the Averill Park Central School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Marvin and Company, P.C.

Latham, NY
October 21, 2022

MARVIN
AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
A History of Shaping Futures

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

To the President and Members of the Board of Education of the
Averill Park Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Marvin and Company, P.C.

Latham, NY
October 21, 2022

AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title/Program Title	Assistance Listings Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipient	Total Federal Expenditures
U.S. Department of Education				
Passed Through New York State Education Department:				
Special Education Cluster				
Special Education - Grants to States	84.027	0032-22-0756		$ 701,147
COVID-19 ARP - Special Education - Grants to States	84.027X	5532-22-0756		1,662
Special Education - Preschool Grants	84.173	0033-22-0756		40,187
COVID-19 ARP - Special Education - Preschool Grants	84.173X	5533-22-0756		1,770
Total Special Education Cluster				744,766
Title I Grants to Local Educational Agencies	84.010	0021-22-2575		223,933
Title IV Grants to Local Educational Agencies	84.424	0204-21-2575		7,770
Title IV Grants to Local Educational Agencies	84.424	0204-22-2575		8,335
Total Title IV				16,105
Improving Teacher Quality State Grants	84.367	0147-22-2575		55,600
Education Stabilization Funds				
COVID-19 CRRSA Act - Governor's Emergency Education Relief Fund	84.425C	5896-21-2575		91,086
COVID-19 CRRSA Act - Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-2575		1,044,819
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-2575		373,705
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Summer Enrichment	84.425U	5882-21-2575		92,533
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Comprehensive After School	84.425U	5883-21-2575		28,304
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Learning Loss	84.425U	5884-21-2575		286,947
Total Education Stabilization Funds				1,917,394
Total U.S. Department of Education				2,957,798
U.S. Department of Agriculture				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
COVID-19 National School Lunch Program	10.555	Not Applicable		1,066,705
COVID-19 School Breakfast Program	10.553	Not Applicable		332,826
Food Distribution	10.555	Not Applicable		79,850
Total Child Nutrition Cluster				1,479,381
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	Not Applicable		16,473
Total U.S. Department of Agriculture				1,495,854
Total Expenditures of Federal Awards				$ 4,453,652

See accompanying independent auditor's report on the financial statements and notes to Schedule of Expenditures of Federal Awards.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

1. BASIS OF PRESENTATION

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

The information presented in the 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). This Schedule only presents a selected portion of the operations of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

The Averill Park Central School District is an independent municipal corporation. All Federal grant operations of the District are included in the scope of the single audit.

4. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2022, the District received food commodities totaling $79,850.

5. INDIRECT COST RATE

The Averill Park Central School District did not elect to use the 10% de minimus cost rate.

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

AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	____yes	X no
• Significant deficiency(ies) identified?	____yes	X none reported
Noncompliance material to financial statements noted?	X yes	____no

Federal Awards

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.425C	Governor's Emergency Education Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)

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

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Noncompliance Material to the Financial Statements

2022-001 Compliance with Net Cash Resources and Excess Fund Balance for Child Nutrition

Statement of Condition: The fund balance in the school lunch fund exceeds the allowable limit by approximately $480,000.

AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Noncompliance Material to the Financial Statements

2022-001 Compliance with Net Cash Resources and Excess Fund Balance for Child Nutrition

Criteria: According to the code of federal regulations section CFR §210.14 (b) the school food authority shall limit its net cash resources to no more than 3 months worth of average expenditures.

Cause: The effect of expenditures being less than revenue.

Effect of Condition: The District was not in compliance with federal guidelines.

Context: As part of audit procedures, compliance with this federal guideline is reviewed. Compliance with Net Cash Resources and Excess Fund Balance for Child Nutrition.

Recommendation: The District should follow federal guidelines to resolve excess fund balance. The District is required to submit a plan to the Child Nutrition Program Administration detailing how the District will reduce the fund balance to an acceptable level within one year and also what the District will do to ensure that an excess fund balance does not occur in the future.

Views of Responsible Officials and Planned Corrective Actions: Participation in the District's Child Nutrition program increased substantially as a result of free lunch for all students. The increase in participation and higher federal reimbursement rates created a large fund balance. To reduce the fund balance, the District plans to purchase equipment to update kitchens throughout the district. In the future, the District will monitor the fund balance for the child nutrition program throughout the year and make the adjustments as necessary.

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal awards which are required to be reported in accordance with the Uniform Guidance 2 CFR section 200.516(a):

None

Summary Schedule of prior auditing findings

None