PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2022

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

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

$14,512,657

HAMILTON CENTRAL SCHOOL DISTRICT

MADISON COUNTY, NEW YORK

GENERAL OBLIGATIONS

$14,512,657 Bond Anticipation Notes, 2022 (Renewals)

(the "Notes")

Dated: July 7, 2022 **Due: July 7, 2023**

The Notes are general obligations of the Hamilton Central School District, Madison County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

At the option of the Purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, except for a necessary odd denomination which is or includes $7,657, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $7,657, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the beneficial owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser(s), or about July 7, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 23, 2022 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June __, 2022

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

HAMILTON CENTRAL SCHOOL DISTRICT

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

MICHELLE JACOBSEN
President

JENNIFER JONES
Vice President

G. CORY DUCLOS
ELLEN LARSON
TRAVIS AMES

*   *   *   *   *

WILLIAM DOWSLAND
Superintendent of Schools

MATTHEW CRUMB
Business Manager

DEBBIE WELSH
District Treasurer

DEBBIE KIRLEY
District Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

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

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

of the

HAMILTON CENTRAL SCHOOL DISTRICT
MADISON COUNTY, NEW YORK

Relating To

$14,512,657 Bond Anticipation Notes, 2022 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Hamilton Central School District, Madison County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $14,512,657 principal amount of Bond Anticipation Notes, 2022 (Renewals) (the "Notes").

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

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See "MARKET AND RISK FACTORS - COVID-19" herein.

NATURE OF OBLIGATION

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

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, subject to applicable statutory limitations.

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes are dated July 7, 2022 and mature, without option of prior redemption, on July 7, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted on January 10, 2019 of the District authorizing the undertaking of a capital project consisting of renovations, alterations and improvements to the District's PreK-12 Building and Bus Garage including general construction, HVAC, mechanical, electrical and plumbing improvements, safety and security improvements, site improvements, furnishings, fixtures and equipment required for such purposes for the District at an estimated maximum aggregate cost of $15,300,000 (the "Capital Project").

The proceeds of the Notes together with $450,000 available funds of the District will redeem $9,495,657 bond anticipation notes maturing July 8, 2022 with the balance of proceeds providing $5,467,000 in new money for the Capital Project.

BOOK-ENTRY-ONLY SYSTEM

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

DTC, a limited-purpose trust company organized under the New York Banking Law, is a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, 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 OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located in Central New York State in the southern sector of Madison County. The City of Syracuse is approximately 40 miles northwest, the City of Utica approximately 30 miles north and the City of Binghamton 60 miles south. Major highways in and in close proximity to the District include State highways #12, 12B and 20.

With a land area of approximately 55 square miles and a current estimated population of 5,500, the District is residential and agricultural in nature. The Village of Hamilton is the hub of the District and provides a variety of retail and personal service establishments as well as business and professional offices. The Village has a land area of 1.6 square miles.

Colgate University, which is located on 1,400 acres in the southeast section of the Village, is an independent college of the liberal arts with a current enrollment of approximately 2,500 students. An all-male institution since its earliest days, Colgate became co-educational in 1970. The University is the largest employer within the District. See “Larger Employer” hereunder.

The Wendt Enterprise offices and meeting facilities are located on 400 acres within the District. It is a recreational and educational business that serves commercial and educational institutions. It has a staff of over 55 persons.

Source: District officials.

District Population

The 2020 estimated population of the District is 7,315. (Source: U.S. Census Bureau, 2016-2020 American Community Survey data).

Larger Employers

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

Employer	Type of Business	Number of Employees
Colgate University	Education	873
Morrisville State College	Education	450
Community Memorial Hospital/Crouse	Hospital	200
Vantine Imaging (formerly Vantine Studios)	Photography	80
Wendt Enterprise	Offices /Meeting facilities	55
WiseBuys Stores, Inc.	Retail	52
Colgate Inn	Hotel	40
TSC Tractor Supply Company	Retail	30
Continental Telephone Corporation	Utility	24
Gallery Association of New York State, Inc.	Museum	19
Mid-York Family Center	Health Center	17

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns and the County listed below. The figures set forth 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	2016-2020	2000	2006-2010	2016-2020
Towns of:						
Brookfield	$ 13,719	$ 20,344	$ 27,977	$ 35,915	$ 50,417	$ 66,958
Eaton	14,538	13,946	18,680	39,229	53,458	60,429
Hamilton	15,564	20,203	46,838	50,565	68,235	92,333
Lebanon	15,690	23,035	26,375	39,038	52,054	54,699
Madison	18,468	26,747	32,429	41,630	55,579	78,103
County of:						
Madison	19,105	24,311	32,443	47,889	61,828	78,812
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

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

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 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 major part of the District) is Madison County. The information set forth below with respect to the County and State of New York is included for informational purposes only. It should not be inferred from the inclusion of such data in this Continuing Disclosure Statement that the County or State, is necessarily representative of the District, or vice versa.

Annual Average

	2015	2016	2017	2018	2019	2020	2021
Madison County	5.7%	5.4%	5.5%	4.8%	4.3%	7.5%	4.5%
New York State	5.2%	4.9%	4.6%	4.1%	3.8%	9.9%	6.9%

2021-22 Monthly Figures

	2021							2022				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Madison County	4.9%	4.7%	4.2%	3.5%	3.3%	3.0%	2.9%	4.0%	4.2%	3.9%	3.0%	N/A
New York State	7.5%	7.1%	6.7%	5.7%	5.3%	4.9%	4.5%	5.3%	5.1%	4.7%	4.2%	N/A

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

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

Form of School Government

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

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) and distributes that statement not less than fourteen days prior to the date on which the District's annual meeting is conducted, at which time such tentative budget is voted upon. Notice of the annual meeting is published as required by statute with a first publication not less than forty-five days prior to the day of such meeting. If the qualified voters at the annual meeting approve the tentative budget, the Board of Education, by resolution, adopts it as the budget of the District for the ensuing fiscal year.

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

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

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

Recent Budget Vote Results

The budget for the 2021-22 fiscal year was approved by the qualified voters on May 18, 2021 by a vote of 189 yes to 33 no. The adopted budget included a total tax levy increase of 1.60%, which equaled the District's Tax Cap of 1.60% for the 2021-22 fiscal year.

The budget for the 2022-23 fiscal year was approved by the qualified voters on May 17, 2022 by a vote of 177 yes to 41 no. The adopted budget included a total tax levy increase of 2.95%, which equaled the District's Tax Cap of 2.95% for the 2022-23 fiscal year.

Investment Policy

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

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

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2022-23 fiscal year, approximately 40.4% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever

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

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

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

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal aid received by the State.

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 $1,149,954 in ARP funds and $539,830 in CRRSA funds.

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

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

Building Aid

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

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2022-23 preliminary building aid ratios, the District expects to receive State building aid of approximately 76.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

School District Fiscal Year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School District Fiscal Year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School District Fiscal Year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6% and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget 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% lower than in the State's 2019-2020 Enacted Budget was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% 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% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other

Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

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

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase of foundation aid is now scheduled to occur as listed in the following paragraph.

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 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 such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enacted this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

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

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2021-22 and 2022-23 fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 12,254,856	$ 4,633,406	37.81%
2017-2018	12,457,340	4,752,786	38.15
2018-2019	12,867,661	4,920,416	38.24
2019-2020	13,184,736	5,018,634	38.06
2020-2021	13,511,950	4,974,909	36.82
2021-2022 (Budgeted)	13,902,840 (1)	5,614,522	40.38
2022-2023 (Budgeted)	14,297,864 (1)	5,778,831	40.42

(1) Does not include $130,000 of appropriated fund balance.

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
Hamilton Central School	Pre-K-12	1,000	1958, ’66, ’89, ‘98

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2017-18	572	2022-23	570
2018-19	574	2023-24	570
2019-20	582	2024-25	570
2020-21	560	2025-26	570
2021-22	570	2026-27	570

Source: District officials.

Employees

The District employs a total of 95 full-time and 18 part-time employees with representation by the various bargaining units listed below:

Employees	Union Representation	Contract Expiration Date
65	New York State United Teachers' Association	June 30, 2025
40	Hamilton Service Employees United Association	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 and budgeted figures for the 2022-23 fiscal years are as follows:

Fiscal Year	ERS	TRS
2016-2017	$ 147,534	$ 544,291
2017-2018	150,555	430,788
2018-2019	139,527	484,834
2019-2020	128,584	397,573
2020-2021	151,910	407,021
2021-2022 (Budgeted)	175,627	478,013
2022-2023 (Budgeted)	145,449	515,232

Source: District records.

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

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2016-17 to 2022-23) is shown below:

Fiscal Year	ERS	TRS
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated. The TRS Retirement Board is expected to adopt the 2022-23 employer contribution rate at its August 3, 2022 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, includes a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such reserve fund as of May 21, 2019 and funded it with $182,430.

Other Post-Employment Benefits

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

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

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

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

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

The District contracted with Cirkiel Actuarial Consulting, LLC to calculate its actuarial valuation under GASB 75. The following table outlines the changes to the Total OPEB Liability during the 2018 and 2019 fiscal years, by source.

Balance beginning at:	July 1, 2019	July 1, 2020
	$ 31,399,869	$ 39,401,524
Changes for the year:		
Service cost	1,252,339	1,916,194
Interest on total OPEB liability	1,126,851	902,129
Changes in Benefit Terms	-	-
Differences between expected and actual experience	(620,298)	-
Changes in Assumptions or other inputs	7,163,610	340,094
Benefit payments	(920,847)	(1,000,330)
Net Changes	$ 8,001,655	$ 2,158,087
Balance ending at:	**June 30, 2020**	**June 30, 2021**
	$ 39,401,524	**$ 41,559,611**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX - E" attached hereto.

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.

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.

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as "APPENDIX – E". 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 is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The District is currently in full compliance with GASB Statement No. 34.

New York State Comptroller Reports of Examination

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

The State Comptroller's office released an audit report of the District on July 22, 2016. The purpose of the audit was to examine the school lunch fund's financial condition for the period July 1, 2014 through February 25, 2016. Key findings and recommendations from the audit report are outlined below:

Key Findings:

- The District's number of meals per labor hour (MPLH) is significantly lower than industry standards.
- Without general fund subsidies, the school lunch fund's operating deficits would average about $70,000 per year.

Key Recommendations:

- Take action to bring the MPLH closer to industry standards.
- Complete a cost-per-meal analysis and explore methods for increasing revenues and decreasing expenditures to a level that allows the fund to be self-sustaining.

The State Comptroller's office released its most recent audit report of the District on March 26, 2021. The purpose of the audit was to determine whether Hamilton Central School District officials sought competition for the purchase of goods and services not subject to competitive bidding for the period July 1, 2019 through July 31, 2020. Key findings and recommendations from the audit report are outlined below:

Key Findings:

- District officials did not always seek competition for the purchase of goods and services not subject to competitive bidding, as required by the District's procurement policy.

Key Recommendations:

- Periodically issue requests for proposals (RFPs) to solicit competition when seeking professional services.
- Obtain verbal and written quotes as required by the procurement policy.

A copy of the complete audit reports can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no State Comptrollers audits of the District currently in progress or pending release at this time.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	0.0
2020	No Designation	6.7
2019	No Designation	3.3
2018	No Designation	3.3
2017	No Designation	0.0

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Brookfield	$ 2,097,264	$ 2,072,998	$ 2,097,072	$ 2,098,143	$ 2,103,473
Eaton	7,082,420	7,066,305	7,080,435	7,083,410	8,452,109
Hamilton	217,557,567	218,968,054	219,656,009	221,685,979	223,687,216
Lebanon	36,241,171	36,239,152	36,510,837	36,770,603	44,726,325
Madison	89,273,908	90,414,310	90,741,242	91,022,311	91,608,761
Total Assessed Values	$ 352,252,330	$ 354,760,819	$ 356,085,595	$ 358,660,446	$ 370,577,884
State Equalization Rates					
Towns of:					
Brookfield	98.00%	97.00%	94.00%	92.00%	94.00%
Eaton	92.00%	91.00%	86.00%	85.00%	100.00%
Hamilton	96.50%	95.00%	91.50%	91.50%	90.00%
Lebanon	92.00%	91.00%	86.00%	85.00%	100.00%
Madison	78.50%	75.50%	74.50%	71.85%	72.50%
Total Taxable Full Valuation	$ 388,403,905	$ 399,972,267	$ 414,779,990	$ 422,837,106	$ 430,314,434

Source: District officials.

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Brookfield	$ 18.72	$ 18.89	$ 19.34	$ 19.78	$ 19.33
Eaton	19.94	20.14	21.13	21.41	18.17
Hamilton	19.01	19.01	19.86	19.89	20.19
Lebanon	19.94	19.94	21.13	21.13	18.17
Madison	23.37	24.27	24.40	24.40	25.06

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st and a 3% penalty from November 1st to November 15th. On or about November 15th, uncollected taxes are returnable to the County for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Taxes unpaid after November 15th, are re-levied at an additional 7% penalty with the Town and County taxes which are due on January 1st.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 7,124,209	$ 7,330,050	$ 7,538,538	$ 7,695,195	$ 7,818,397
Amount Uncollected (1)	284,807	430,863	431,218	374,154	288,810
% Uncollected	4.00%	5.88%	5.72%	4.86%	3.69%

(1) See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Property Taxes Levy & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$ 12,254,856	$ 7,293,294	59.51%
2017-2018	12,457,340	7,369,370	59.16
2018-2019	12,867,661	7,583,809	58.94
2019-2020	13,184,736	7,790,835	59.09
2020-2021	13,511,950	7,952,273	58.85
2021-2022 (Budgeted)	13,902,840 (1)	8,058,397	57.96
2022-2023 (Budgeted)	14,297,864 (1)	8,289,112	57.97

(1) Does not include $130,000 of appropriated fund balance.

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

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

Name	Type	Taxable Full Valuation
Marshall M. Burton	Commercial	$ 12,068,618
Colgate University	University	11,975,732
Hamilton Initiative LLC	Commercial	4,202,841
Sphere Hamilton, LLC	Commercial	4,070,981
Sphere Hamilton II LLC	Commercial	3,479,471
NYSEG	Utility	3,058,569
Hamilton Motel LLC	Commercial	2,783,577
Colgate Inn	Commercial	2,513,661
Village of Hamilton	Government	2,373,897
Hamilton Surgical	Commercial	1,839,344

The ten larger taxpayers listed above have a total taxable full valuation of $48,366,691 which represents 11.2% of the tax base of the District.

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

Source: District officials.

STAR – School Tax Exemption

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

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

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

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

The 2020-21 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:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Brookfield	$ 70,410	$ 28,200	4/7/2022
Eaton	74,900	30,000	4/7/2022
Hamilton	74,900	30,000	4/7/2022
Lebanon	74,900	30,000	4/7/2022
Madison	54,300	21,750	4/7/2022

$630,000 of the District's $7,695,195 school tax levy for 2020-21 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2021.

$566,859 of the District's $7,818,398 school tax levy for 2021-22 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2022.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-20%, Residential-55% and Commercial-25%.

The estimated total annual property tax bill of a $50,000 market value residential property located in the District is approximately $2,100 including State, County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMITATION LAW" herein).

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except in certain circumstances, the District complies with such procedure. It is a procedure that is generally recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2017	2018	2019	2020	2021
Bonds	$ 4,615,000	$ 4,045,000	$ 3,435,000	$ 2,770,000	$ 2,105,000
Bond Anticipation Notes	0	0	0	2,000,000	9,133,000
Total Debt Outstanding	$ 4,615,000	$ 4,045,000	$ 3,435,000	$ 4,770,000	$ 11,238,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District as of June 17, 2022.

Type of Indebtedness	Maturity		Amount
Bonds	2023-2026		$ 1,365,000
Bond Anticipation Notes			
Capital Project	July 8, 2022		700,000 (1)
Capital Project	July 8, 2022		8,795,657 (2)
		Total Indebtedness:	$ 10,860,657

(1) To be redeemed at maturity with proceeds of the Notes.
(2) To be redeemed at maturity with proceeds of the Notes and $450,000 available funds of the District.

Debt Statement Summary

Summary of Bonded Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 17, 2022:

Full Valuation of Taxable Real Property			$ 430,314,434
Debt Limit (10%) thereof			43,031,443
Inclusions:			
Bonds	$ 2,105,000		
Bond Anticipation Notes	0		
Principal of this Issue	14,512,657		
Total Inclusions		$ 16,617,657	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 16,617,657
Net Debt-Contracting Margin			$ 26,413,786
The percent of debt contracting power exhausted is			38.62%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2022-23 Building Aid Ratios, the School District anticipates State building aid of 76.0% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Cash Flow Borrowings

The School District has not issued tax and/or revenue anticipation notes or budget or deficiency notes in the past five fiscal years, and does not reasonably expect to issue any such notes in the foreseeable future.

Capital Project Plans

The District typically issues serial bonds annually for the purchase of buses.

On December 18, 2018 District approved a proposition for a capital improvement project consisting of renovations, alterations and improvements to the District's PreK-12 Building and Bus Garage including general construction, HVAC, mechanical, electrical and plumbing improvements, safety and security improvements, site improvements, furnishings, fixtures and equipment required for such purposes for the District at an estimated maximum aggregate cost of $15,300,000. The project will be completed in three phases, with construction during the summers of 2020, 2021 and 2022. To date, the District has issued $9,833,000 bond anticipation notes pursuant to this authorization, of which $9,833,000 remain outstanding and will mature on July 8, 2022. The current issuance of the Notes will renew a $9,383,000 portion of the notes, with the balance proceeds providing $5,467,000 of new money for the project.

There are presently no other capital projects authorized, or indebtedness unissued, by the District.

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 as of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Madison	12/31/2019	$ 47,062,956	$ 1,983,269	$ 45,079,687	9.18%	$ 4,138,315
Town of:						
Brookfield	12/31/2019	531,942	58,417	473,525	1.72%	8,145
Eaton	12/31/2019	506,259	506,259	-	3.07%	-
Hamilton	12/31/2019	280,000	-	280,000	79.65%	223,020
Lebanon	12/31/2019	213,217	213,217	-	43.54%	-
Madison	12/31/2019	-	-	-	51.17%	-
Village of:						
Hamilton	5/31/2020	17,988,921	15,979,546	2,009,375	100.00%	2,009,375
					Total:	$ 6,378,855

Notes:

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

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

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

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 17, 2022:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 16,617,657	$ 2,271.72	3.86%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	22,996,512	3,143.75	5.34

[a] The 2020 estimated population of the District is 7,315. (See "THE SCHOOL DISTRICT – Population" herein.)

[b] The District's full value of taxable real estate for the 2021-22 District tax roll is $430,314,434. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

[c] See "Debt Statement Summary" herein for the calculation of Net Direct Indebtedness.

[d] Estimated net overlapping indebtedness is $6,378,855. (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

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.

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 shall not exceed nine per centum per annum. 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 or interest on the Notes.

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.

The Federal Bankruptcy Code allows public bodies such as the District 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While the provisions of the Local Finance Law do not apply to school districts, there can be no assurance that they will not be made so applicable in the future.

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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."

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

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

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.

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

COVID-19

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

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through its 2021-22 fiscal year or for the foreseeable future under current conditions.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D" attached hereto.

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

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

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

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

LEGAL MATTERS

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

LITIGATION

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

The District is subject to one or more claims under the Child Victims Act. The claims are in early stages of discovery. It is not anticipated at this time that the claims will have a material impact on the financial condition of the District.

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, 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 and/or the provision of a supplement to the final Official Statement.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "A" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, 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.

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Matthew Crumb, Business Manager, District Offices, 47 West Kendrick Avenue, Hamilton, New York 13346 telephone (315) 824-6372, fax (315) 824-6314, email mcrumb@hamiltoncentral.org.

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

HAMILTON CENTRAL SCHOOL DISTRICT

Dated: June 17, 2022

MICHELLE JACOBSEN
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Unrestricted Cash	$ 1,131,932	$ 978,477	$ 885,980	$ 670,505	$ 1,397,876
Restricted Cash	1,475,585	1,728,555	1,847,511	2,183,402	2,484,550
Accounts Receivable	1,406	240	20,586	-	26,551
State and Federal Aid Receivable	121,808	81,192	115,676	134,434	149,385
Due from Other Governments	-	-	-	-	-
Due from Other Funds	168,233	181,535	305,608	534,102	241,937
Due from Fiduciary Funds	8	8	5	5	-
Other Receivables	-	-	-	-	-
Prepaid Expenditures				1,776	-
TOTAL ASSETS	$ 2,898,972	$ 2,970,007	$ 3,175,366	$ 3,524,224	$ 4,300,299
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 25,294	$ 20,002	$ 28,205	$ 47,625	$ 37,974
Accrued Liabilities	62,865	38,330	37,093	76,638	198,675
Accrued Interest Payable	-	-	-	54	111,308
Due to Other Funds	90,000	2,221	2,183	26,216	76,846
Due to Fiduciary Funds	-	-	-	3,455	-
Due to Teachers' Retirement System	562,603	496,960	549,584	466,331	496,991
Due to Employees' Retirement System	37,480	37,690	35,702	34,841	40,886
Overpayments	421	421	421	421	-
Other Liabilities	-	-	-	-	138,751
TOTAL LIABILITIES	$ 778,663	$ 595,624	$ 653,188	$ 655,581	$ 1,101,431
DEFERRED INFLOWS OF RESOURCES					
Revenue not earned from time restrictions	-	-	-	23,107	-
FUND EQUITY					
Nonspendable	$ -	$ 6,187	$ 28,063	$ 20,211	$ 38,008
Restricted	1,475,585	1,728,555	1,847,511	2,183,402	2,484,550
Assigned	156,468	136,785	149,985	132,310	154,521
Unassigned	488,256	502,856	496,619	509,613	521,789
TOTAL FUND EQUITY	$ 2,120,309	$ 2,374,383	$ 2,522,178	$ 2,845,536	$ 3,198,868
TOTAL LIABILITIES and FUND EQUITY	$ 2,898,972	$ 2,970,007	$ 3,175,366	$ 3,524,224	$ 4,300,299

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	**2017**	**2018**	**2019**	**2020**	**2021**
REVENUES					
Real Property Taxes	$ 6,347,407	$ 6,438,824	$ 6,656,756	$ 6,916,760	$ 7,094,103
Other Tax Items	945,887	930,546	927,053	874,075	858,170
Charges for Services	76,976	41,810	74,608	44,571	42,541
Use of Money & Property	3,495	4,070	17,066	26,684	6,161
Sale of Property and Compensation for Loss	1,411	13,683	11,094	4,181	10,291
Miscellaneous	205,052	248,891	176,802	242,387	409,751
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	4,633,406	4,752,786	4,920,416	5,018,634	4,974,909
Revenues from Federal Sources	41,222	26,730	83,866	57,444	116,024
Total Revenues	$ 12,254,856	$ 12,457,340	$ 12,867,661	$ 13,184,736	$ 13,511,950
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	$ 12,254,856	$ 12,457,340	$ 12,867,661	$ 13,184,736	$ 13,511,950
EXPENDITURES					
General Support	$ 1,444,543	$ 1,576,512	$ 1,581,815	$ 1,573,933	$ 1,517,016
Instruction	5,857,105	5,893,577	6,186,367	6,237,605	6,168,860
Pupil Transportation	384,066	397,185	390,642	392,687	357,186
Employee Benefits	3,376,294	3,430,373	3,626,280	3,689,686	3,983,777
Debt Service	867,826	873,029	899,122	902,845	1,046,259
Total Expenditures	$ 11,929,834	$ 12,170,676	$ 12,684,226	$ 12,796,756	$ 13,073,098
Other Uses:					
Interfund Transfers	118,629	32,590	35,640	64,622	85,520
Total Expenditures and Other Uses	$ 12,048,463	$ 12,203,266	$ 12,719,866	$ 12,861,378	$ 13,158,618
Excess (Deficit) Revenues Over Expenditures	206,393	254,074	147,795	323,358	353,332
FUND BALANCE					
Fund Balance - Beginning of Year	1,913,916	2,120,309	2,374,383	2,522,178	2,845,536
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 2,120,309	$ 2,374,383	$ 2,522,178	$ 2,845,536	$ 3,198,868

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2021 Adopted Budget	2021 Modified Budget	2021 Audited Actual	2022 Adopted Budget	2023 Adopted Budget
REVENUES					
Real Property Taxes	$ 7,075,195	$ 7,075,195	$ 7,094,103	$ 7,818,397	$ 8,049,112
Other Tax Items	866,000	866,000	858,170	240,000	240,000
Charges for Services	40,500	40,500	42,541	40,500	40,500
Use of Money & Property	45,100	45,100	6,161	21,100	21,100
Sale of Property and Compensation for Loss	2,100	2,100	10,291	2,100	2,100
Miscellaneous	128,715	156,688	409,751	68,715	68,715
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	5,070,448	5,070,448	4,974,909	5,614,522	5,778,831
Revenues from Federal Sources	37,506	37,506	116,024	37,506	37,506
Total Revenues	$ 13,265,564	$ 13,293,537	$ 13,511,950	$ 13,842,840	$ 14,237,864
Other Sources:					
Interfund Transfers	-	-	-	60,000	60,000
Total Revenues and Other Sources	$ 13,265,564	$ 13,293,537	$ 13,511,950	$ 13,902,840	$ 14,297,864
EXPENDITURES					
General Support	$ 1,528,815	$ 1,578,823	$ 1,517,016	$ 1,518,558	$ 1,578,880
Instruction	6,293,315	6,349,109	6,168,860	6,334,151	6,502,021
Pupil Transportation	474,641	419,121	357,186	471,788	484,340
Employee Benefits	4,150,693	4,125,174	3,983,777	4,320,107	4,404,611
Debt Service	918,100	918,100	1,046,259	1,358,236	1,428,012
Total Expenditures	$ 13,365,564	$ 13,390,327	$ 13,073,098	$ 14,002,840	$ 14,397,864
Other Uses:					
Interfund Transfers	30,000	35,520	85,520	30,000	30,000
Total Expenditures and Other Uses	$ 13,395,564	$ 13,425,847	$ 13,158,618	$ 14,032,840	$ 14,427,864
Excess (Deficit) Revenues Over Expenditures	(130,000)	(132,310)	353,332	(130,000)	(130,000)
FUND BALANCE					
Fund Balance - Beginning of Year	130,000	132,310	2,845,536	130,000	130,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 3,198,868	$ -	$ -

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

BONDED DEBT SERVICE
(as of June 17, 2022)

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	$ -	$ -	$ -
2023	850,000	22,666	872,666
2024	425,000	7,196	432,196
2025	65,000	1,116	66,116
2025	25,000	280	25,280
TOTALS	$ 1,365,000	$ 31,258	$ 1,396,258

CURRENT BONDS OUTSTANDING
(as of June 17, 2022)

Fiscal Year Ending June 30th	2010 Capital Project - DASNY			2016 Refunding of 2008		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	70,000	5,250	75,250	655,000	12,550	667,550
2024	35,000	1,750	36,750	300,000	3,000	303,000
TOTALS	$ 105,000	$ 7,000	$ 112,000	$ 955,000	$ 15,550	$ 970,550

Fiscal Year Ending June 30th	2018 SIB - Buses			2019 SIB - Buses		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	35,000	1,330	36,330	30,000	1,320	31,320
2024	-	-	-	30,000	720	30,720
TOTALS	$ 35,000	$ 1,330	$ 36,330	$ 60,000	$ 2,040	$ 62,040

Fiscal Year Ending June 30th	2020 SIB - Buses			2021 SIB - Buses		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	35,000	1,276	36,276	25,000	940	25,940
2024	35,000	961	35,961	25,000	765	25,765
2025	40,000	576	40,576	25,000	540	25,540
2026	-	-	-	25,000	280	25,280
TOTALS	$ 110,000	$ 2,813	$ 112,813	$ 100,000	$ 2,525	$ 102,525

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a financial obligation 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 School District, any of which affect bondholders, 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 School District, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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FORM OF BOND COUNSEL'S OPINION

July 7, 2022

Hamilton Central School District
47 West Kendrick Avenue
Hamilton, New York 13202

Re: Hamilton Central School District
$14,512,657 Bond Anticipation Notes, 2022 (Renewals) CUSIP No: 407744

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $14,512,657 Bond Anticipation Notes, 2022 (Renewals) (the "Notes") of Hamilton Central School District, County of Madison, State of New York (the "District"). The Notes are dated July 7, 2022 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a bond resolution adopted on January 10, 2019 of the District and a Certificate of Determination dated on or before July 7, 2022 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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

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

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

Very truly yours,

TRESPASZ & MARQUARDT, LLP

HAMILTON CENTRAL SCHOOL DISTRICT
MADISON COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2021

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

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

HAMILTON CENTRAL SCHOOL DISTRICT

Table of Contents

CWYNAR, FARROW & LOCKE, CPAs
A Professional Limited Liability Company
43 S Broad Street
Norwich, New York 13815
(607) 334-3838 voice
(607) 441-1101 fax
www.Cwynar.com

Independent Auditors' Report

To the Board of Education
Hamilton Central School District
Hamilton, New York

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Change in Accounting Principle

During the year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the District reported a restatement for a change in accounting principle (see Note 17). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 3 - 14, and budgetary comparison information on pages 56-57, schedule of change in total OPEB liability and related ratios on page 58, and schedule of district's proportionate share of net pension liability and district's contributions on pages 59-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton Central School District's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information schedules on pages 62-64 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2021, on our consideration of the Hamilton Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Hamilton Central School District's internal control over financial reporting and compliance.

Cwynar, Farrow & Locke, CPAs
October 10, 2021
Norwich, NY

Management's Discussion and Analysis

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2021. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The district's Fund Balance and Reserve Fund balances remain stable. The COVID-19 pandemic resulted in a number of unforeseen expenditures. It also allowed for instances of atypical savings.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

- *Fiduciary funds* statements provide information about the financial relationships in which the School 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.

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

Major Features of the District-Wide and Fund Financial Statements

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

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

The two district-wide statements report the School District's net position and how it has changed. Net position - the difference between the School District's assets and deferred outflows of resources and the School District's liabilities and deferred inflows of resources - is one way to measure the School District's financial health or *position*.

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

- To assess the School District's overall health, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

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

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

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

The District has two kinds of funds:

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

- Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The School 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 School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Condensed Statement of Net Position (in Thousands)

	Governmental Activities and Total School District		Percent
	2020	2021	Change
Assets & Deferred Outflows			
Current and Other Assets	$ 4,353	$ 5,756	32.2%
Capital Assets	11,701	15,636	33.6%
Deferred Outflows of Resources	9,267	8,808	-5.0%
	25,321	30,200	19.3%
Liabilities & Deferred Inflows			
Current Liabilities	4,775	11,082	132.1%
Long-Term Liabilities	43,263	44,503	2.9%
Deferred Inflows of Resources	3,392	3,329	-1.9%
	51,430	58,914	14.6%
Net Position			
Invested in Capital Assets, Net of Related Debt	6,906	5,561	-19.5%
Restricted	2,394	2,749	14.8%
Unrestricted	(35,409)	(37,024)	4.6%
Total Net Position	(26,109)	(28,714)	10.0%

Analysis of Net Position

Net Position may serve as a useful indicator of the district's financial position. At the end of fiscal year 2021, the District's total liabilities exceeded assets by $28.7 million.

The largest positive portion of the Net Position reflects the District's $5.5 million investment in capital assets. Negative net position is a result of the long-term liabilities for OPEB and net pension liabilities. Since the district uses capital assets to provide services, they are not available for future spending. Further, the resources required to pay this debt must come from other sources since the capital assets themselves cannot be liquidated to pay that liability.

Long-term bonds payable decreased by $665 thousand. The District issued $9.1 million in short-term BANs in the current year.

The district records an obligation to pay long-term post employment benefit to comply with accounting standards, however the policy of the State of New York to not allow the district to fund the obligation. The current year increase is $2.1 million, the total OPEB liability recorded on the statement of Net Position is $41.5 million. The net impact of changes in net pension liability, deferred outflows and inflows from the actuarial calculation in accordance with GASB 68 was a $644 thousand decrease in net position.

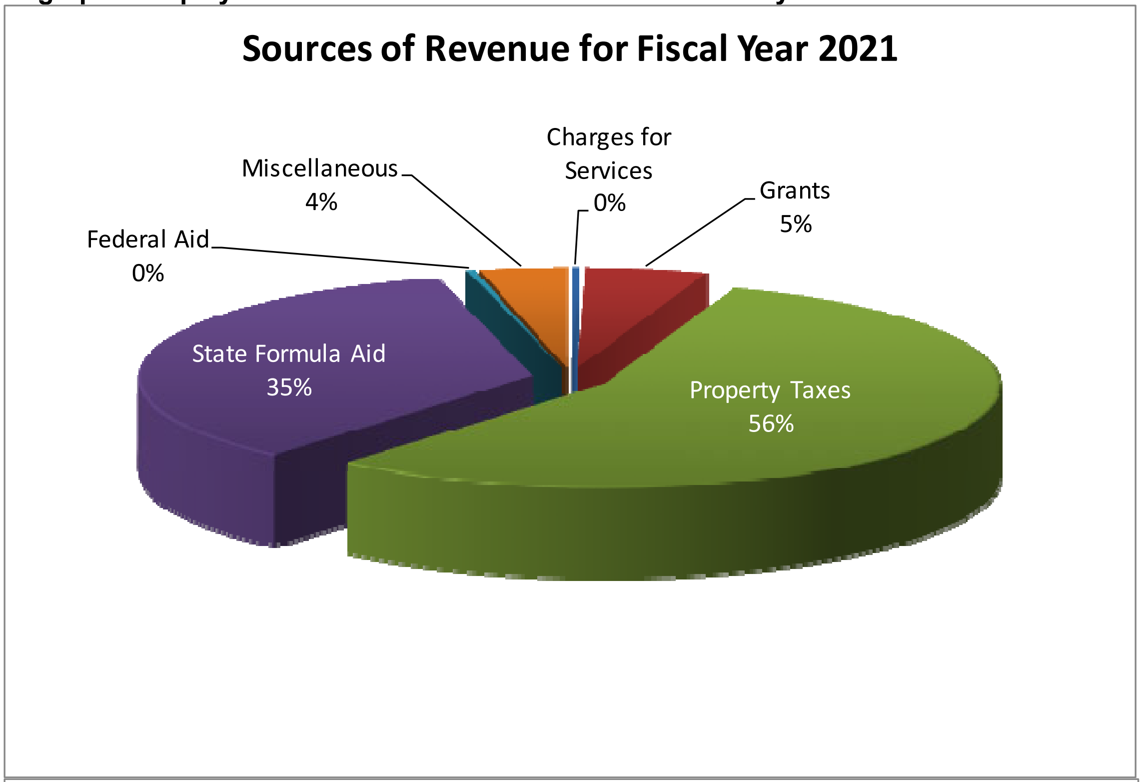
Condensed Changes in Net Position from Operating Results (in Thousands)

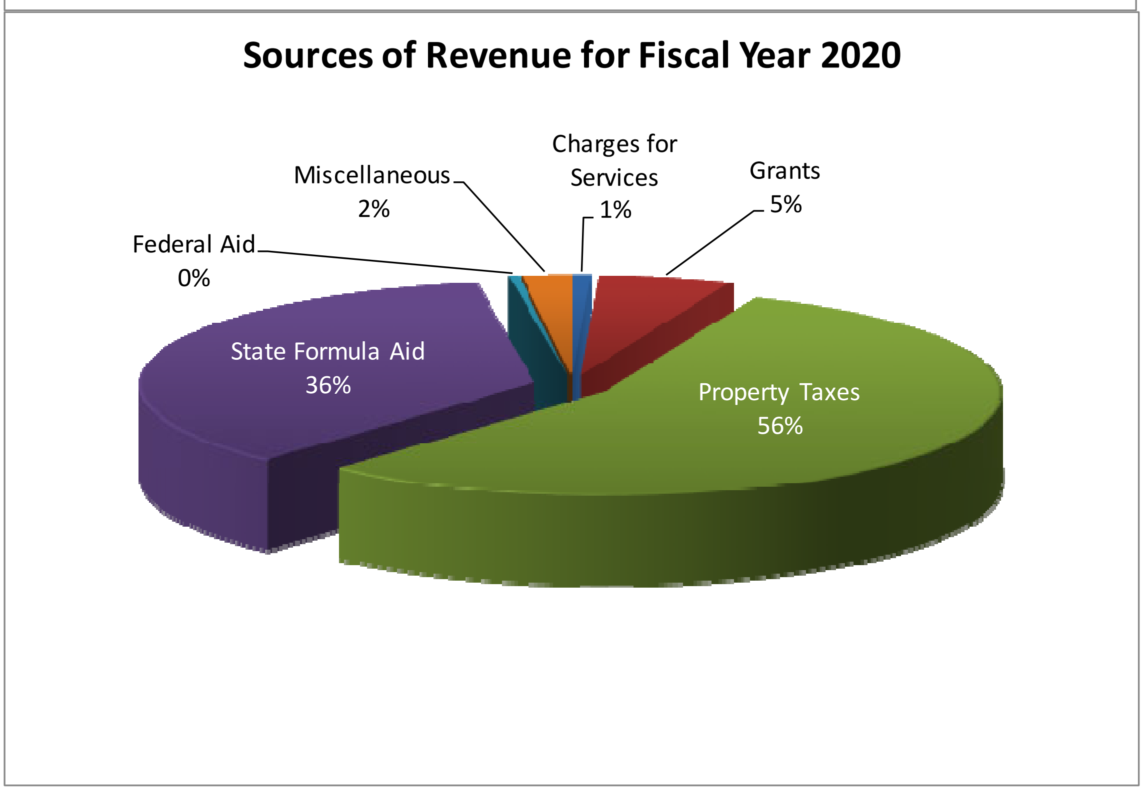
	Governmental Activities and Total School District 2020	Governmental Activities and Total School District 2021	Change
Revenues			
Program Revenues			
Charges for Services	$ 100	$ 46	-54.0%
Grants	772	712	-7.8%
General Revenues			
Property Taxes and tax items	7,791	7,952	2.1%
State Formula Aids	5,028	4,951	-1.5%
Federal Aid	57	46	-19.3%
Interest Earnings	30	63	110.0%
Miscellanous	246	446	81.3%
Total Revenue	14,024	14,216	1.4%
Expenses			
General Support	2,266	2,104	-7.1%
Instruction	12,146	12,549	3.3%
Pupil Transportation	748	677	-9.5%
Depreciation	1,000	1,031	3.1%
Debt Service	91	153	68.1%
School Lunch Program	357	307	-14.0%
Total Expenses	16,608	16,821	1.3%
Change in Net Position	$ (2,584)	$ (2,605)	

Analysis of Changes in Net Position

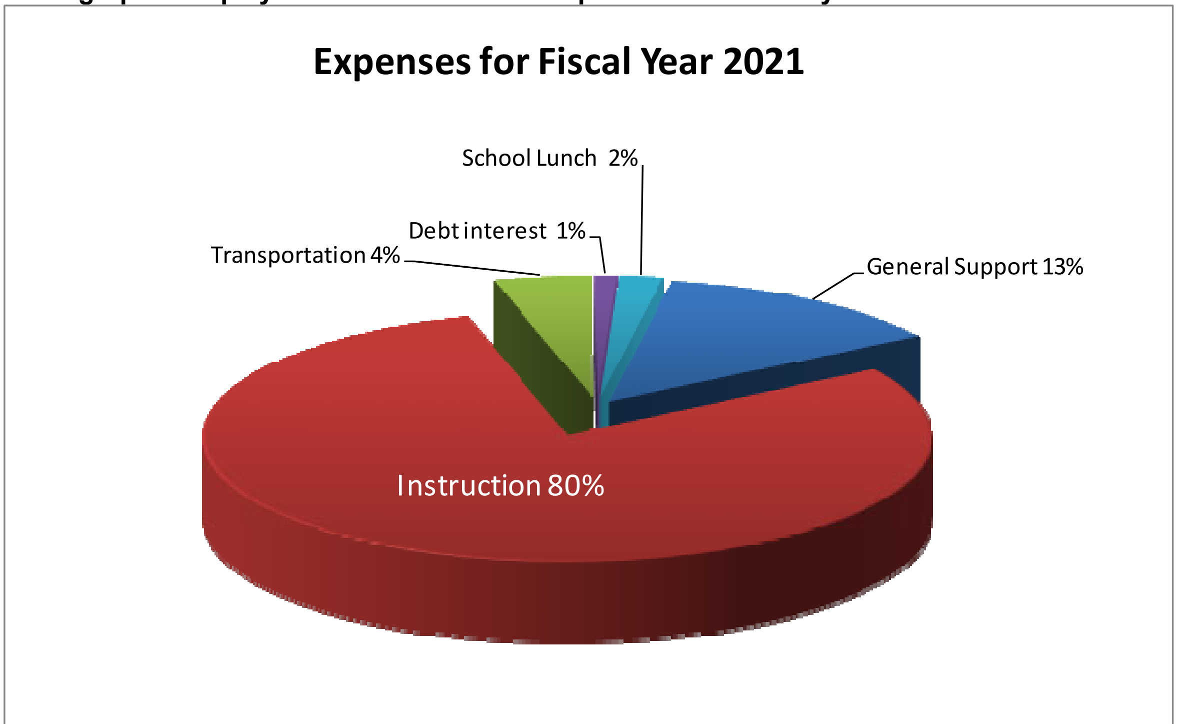
The District's total Net Position declined by $2.7 million during 2021. The most significant expense for the district was in providing for instructional services. Instructional expenditures increased 3.3% mainly due to the increase in the OPEB liability. Pupil transportation decreased by 9.5% due to decreasing salaries and benefits. Debt service increased 68% due to accrued interest on a $9 million BAN issued in 2020-21. Grant revenues decreased nearly $60 thousand due to one-time funding in 2020 that was not available in 2021.

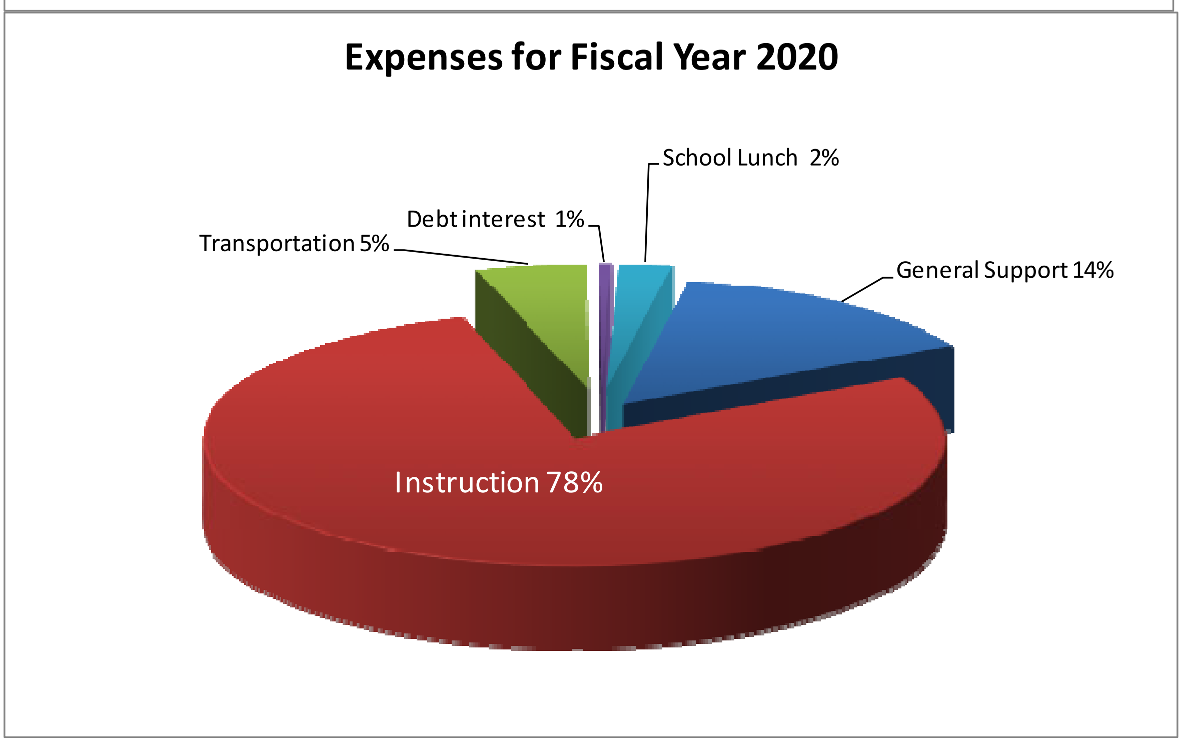
A graphic display of the distribution of revenues for the two years as follows:





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





FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District governmental funds reported a combined fund balance of negative $4.6 million, which is a decrease of $4.4 million from the prior year. A summary of the change in fund balance is as follows:

	2020	2021	Increase (Decrease)
General Fund			
Restricted for:			
Unemployment insurance	$ 287,754	$ 287,345	$ (409)
Retirement contributions - ERS	104,566	129,162	24,596
Retirement contributions - TRS	182,430	280,430	98,000
Liability claims and property loss	392,791	552,844	160,053
Employee benefit accrued liability	875,158	893,752	18,594
Capital	213,480	213,677	197
Repairs	127,223	127,340	117
Nonspendable	20,211	38,008	17,797
Assigned to:			
Encumbrances	2,310	24,521	22,211
Subsequent year's expenditures	130,000	130,000	-
Unassigned	509,613	521,789	12,176
	2,845,536	3,198,868	353,332
Miscellaneous Fund			
Restricted for:			
Student activities	88,443	86,141	(2,302)
	88,443	86,141	(2,302)
School Lunch Fund			
Nonspendable:			
Inventory	9,313	10,914	1,601
Unassigned	(27,748)	(48,922)	(21,174)
	(18,435)	(38,008)	(19,573)
Debt Service Fund			
Restricted for:			
Debt	121,867	178,372	56,505
	121,867	178,372	56,505
Capital Projects Fund			
Unassigned	(3,553,079)	(8,079,634)	(4,526,555)
	(3,553,079)	(8,079,634)	(4,526,555)
Total Fund Balance	$ (515,668)	$ (4,654,261)	$ (4,439,427)

Combined increases of $52 thousand to the general fund balances during the year ended June 30, 2021, includes surpluses used to increase the retirement and liability reserves. Capital projects experienced a significant decrease as project spending increased during the year. Once long-term funding is received, the fund balance will be restored to zero.

Change in General Fund's Unassigned Fund Balance

Opening, Unassigned Fund Balance	$ 509,613
Revenues	13,511,950
Expenditures	(13,073,098)
Other financing sources	-
Other financing uses	(85,520)
Net (increase) decrease in Restricted Funds	(301,148)
Net (increase) decrease in Nonspendable Funds	(17,797)
Net (increase) decrease in Assigned Funds	(22,211)
Closing, Unassigned Fund Balance	$ 521,789

The opening unassigned fund balance is the portion of the District's June 30, 2020 carryover funds that were not specifically identified to a budget category. This was 3.8 percent of the District's approved 2020-21 operating budget.

Based on the summary of changes shown above, the District will begin the 2021-22 fiscal year with an unassigned fund balance of $559 thousand or 3.72 percent of the 2021-22 approved operating budget.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District tries to balance the needs of our students with that of our taxpayers. For the 2020-21 fiscal year, the District had minimal tax increases and taxes collected agreed to budgeted levels. The primary reason total revenues exceeded budgeted revenues was the receipt of higher than expected miscellaneous income and refunds.

Actual expenditures came in approximately $267 thousand less than the final budget for 2020-21. Increases in employee benefits were $141 thousand less than anticipated. Instruction expenses were $180 thousand less than budgeted and transportation expenses were $61 thousand less than expected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had invested $15.6 million in a broad range of capital assets, including land, land improvements, buildings, furniture, equipment and vehicles. Depreciation expense for the year was $1 million. The following schedule is the net value of these assets, which includes additions, deletions, and depreciation. Additional detail information is included in *Note 7* to the financial statement.

Capital Assets (Net of Depreciation) (In Thousands)

	Governmental Activities and Total School District		Total Percentage
	2020	2021	Change
Land	$ 49	$ 49	0.0%
Outdoor improvements	335	284	-15.2%
Buildings and improvements	6,764	6,011	-11.1%
Furniture, equipment and vehicles	1,178	1,327	12.6%
Construction in progress	3,374	7,965	136.1%
	$ 11,700	$ 15,636	33.6%

Debt Administration

The District has outstanding debt in serial bonds of $2.1 million. Additional detail information is included in *Note 8* to the financial statement.

Outstanding Long Term Debt (In Thousands)

	Total School District		
	2020	2021	Change
General Obligation Bonds, net	$ 2,770	$ 2,105	-24.0%
Unamortized Bond Premiums	74	43	-41.9%
Compensated Absences	903	865	-4.2%
Other Post Employment Benefits	39,402	41,560	5.5%
Net Pension Liability - Proportionate Share	925	770	-16.8%
Total	$ 44,074	$ 45,343	2.9%

Total long-term debt includes all bonds and long-term payroll liabilities. The District has paid $845 thousand in principal. The constitutional debt limit allows the District to have outstanding debt equal to or less than 10 percent of the full value on the most recent tax roll. At June 30, 2021 the outstanding debt of the District represented approximately 26.6 percent the debt limit. Other debt represents employee compensated absences, net pension liabilities and other post-employment benefits.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The district will benefit from significant Federal and State funding opportunities in the immediate future. Funding through the American Rescue Plan act and Elementary and Secondary School Emergency Relief funds will provide an opportunity to continue programming as well as address learning loss resulting from the COVID-19 pandemic.

Colgate University continues to support the general budget with a voluntary contribution. With this support, the district has been able to keep valuable programs intact.

The 2021-2022 adopted school budget reflects a tax levy increase of 1.60%.

REQUESTS FOR INFORMATION

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

Business Manager
Hamilton Central School District
47 W Kendrick Ave
Hamilton, Hamilton 13346

Basic Financial Statements

Hamilton Central School District

Statement of Net Position
June 30, 2021

ASSETS	
Cash	
Unrestricted	$ 2,512,143
Restricted	2,749,042
Receivables	
Accounts receivable	26,551
State and federal aid	455,892
Inventories	10,914
Bond issuance costs - prepaid insurance	1,427
Capital assets:	
Not being depreciated	8,014,482
Being depreciated, net of accumulated depreciation	7,621,667
Total Assets	21,392,118
DEFERRED OUTFLOW OF RESOURCES	
OPEB	5,425,683
Pensions	3,359,366
Defeasance Loss	23,115
Total Deferred Outflows of Resources	8,808,164
LIABILITIES	
Payables	
Accounts payable	107,674
Accrued liabilities	198,675
Accrued interest	126,534
Due to other governments	77
Other liabilities	138,750
Long-term liabilities	
Due and payable within one year	
Due to teachers' retirement system	496,991
Due to employees' retirement system	40,886
Bond anticipation note	9,133,000
Bonds payable, net	840,000
Due and payable after one year	
Bonds payable, net	1,265,000
Unamortized bond premiums	43,218
Compensated absences payable	864,928
Other postemployment benefits payable	41,559,611
Net pension liability - proportionate share	770,435
Total Liabilities	55,585,779
DEFERRED INFLOWS OF RESOURCES	
Pensions	1,521,691
OPEB	1,806,923
Total Deferred Inflows of Resources	3,328,614
NET POSITION	
Net investment in capital assets	5,561,246
Restricted	2,749,062
Unrestricted (deficit)	(37,024,419)
Total Net Position	$ (28,714,111)

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Hamilton Central School District

Statement of Net Activities and Changes in Net Position
For the year ended June 30, 2021

	Expenses	Program Revenues Charges for Services	Program Revenues Operating Grants	Capital Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General support	$ 2,116,963	$ -	$ -	$ -	$ (2,116,963)
Instruction	13,420,004	42,541	394,833	218,060	(12,764,570)
Pupil transportation	811,024	-	5,673	-	(805,351)
Debt service - interest	153,263	-	-	-	(153,263)
Food service	319,472	3,199	93,802	-	(222,471)
Total Functions and Programs	$ 16,820,726	$ 45,740	$ 494,308	$ 218,060	(16,062,618)
GENERAL REVENUES					
Real property taxes					7,094,103
Other tax items					858,170
Use of money and property					62,668
Sale of property and compensation for loss					(1,988)
State sources					4,950,746
Federal sources					45,955
Miscellaneous					448,147
Total General Revenues					13,457,801
Change in Net Position					(2,604,817)
Net Position - Beginning of year					(26,197,737)
Restatement - GASB 84					88,443
Net Position - Beginning of year - Restated					(26,109,294)
Total Net Position - End of year					$ (28,714,111)

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Hamilton Central School District

Balance Sheet – Governmental Funds
June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscallaneous Special Revenue	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 1,397,876	$ 9,544	$ 5,881	$ -	$ 1,098,842	$ -	$ 2,512,143
Restricted	2,484,550	-	-	178,352	-	86,141	2,749,043
Receivables							
Accounts receivable	26,551	-	-	-	-	-	26,551
State and federal aid	149,385	114,604	10,461	-	-	-	274,450
Due from other funds	241,937	-	52,705	20	24,244	-	318,906
Inventories	-	-	10,914	-	-	-	10,914
Total Assets	$ 4,300,299	$ 124,148	$ 79,961	$ 178,372	$ 1,123,086	$ 86,141	$ 5,892,007
LIABILITIES							
Payables							
Accounts payable	$ 37,974	$ -	$ -	$ -	$ 69,700	$ -	$ 107,674
Accrued liabilities	198,675	-	-	-	-	-	198,675
Accrued interest payable	111,308	-	-	-	-	-	111,308
Due to other funds	76,846	124,148	117,892	-	20	-	318,906
Due to other governments	-	-	77	-	-	-	77
Due to Teachers' Retirement System	496,991	-	-	-	-	-	496,991
Due to Employees' Retirement System	40,886	-	-	-	-	-	40,886
Bond anticipation note	-	-	-	-	9,133,000	-	9,133,000
Other liabilities	138,751	-	-	-	-	-	138,751
Total Liabilities	1,101,431	124,148	117,969	-	9,202,720	-	10,546,268
FUND BALANCES							
Nonspendable	38,008	-	10,914	-	-	-	48,922
Restricted	2,484,550	-	-	178,372	-	86,141	2,749,063
Assigned							
Appropriated	130,000	-	-	-	-	-	130,000
Unappropriated	24,521	-	-	-	-	-	24,521
Unassigned	521,789	-	(48,922)	-	(8,079,634)	-	(7,606,767)
Total Fund Balances	3,198,868	-	(38,008)	178,372	(8,079,634)	86,141	(4,654,261)
Total Liabilities, Deferred Inflows and Fund Balances	$ 4,300,299	$ 124,148	$ 79,961	$ 178,372	$ 1,123,086	$ 86,141	$ 5,892,007

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Hamilton Central School District

Reconciliation of Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of Net Position are different due to the following:

Total fund balances - governmental funds	$ (4,654,261)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,636,149
Certain assets are not financial resources and, therefore are not reported in the funds.	
BOCES Aid Receivable	181,442
Defeasance Loss	23,115
Bond Issuance Costs - Prepaid Insurance	1,427
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds:	
Compensated Absences	(864,928)
Serial Bonds	(2,105,000)
Accrued Interest on Long Term Debt	(15,226)
Unamortized Bond Premiums	(43,218)
Proportionate share of long-term asset and liability associated with participation in other postemployment benefits plan are not current financial resources or obligations and are not reported in the funds.	(37,940,851)
Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.	
Teachers' Retirement System	1,398,064
Employees' Retirement System	(330,824)
Net Position of Governmental Activities:	$ (28,714,111)

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Hamilton Central School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the year ended June 30, 2021

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscallaneous Special Revenue	Total Governmental Funds
REVENUES							
Real property taxes	$ 7,094,103	$ -	$ -	$ -	$ -	$ -	$ 7,094,103
Other tax items	858,170	-	-	-	-	-	858,170
Charges for services	42,541	-	-	-	-	-	42,541
Use of money and property	6,161	-	2	698	-	-	6,861
Sale of property and compensation for loss	10,291	-	-	-	-	-	10,291
State sources	4,974,909	95,100	2,066	-	218,060	-	5,290,135
Federal sources	116,024	226,969	91,736	-	-	-	434,729
Sales - school lunch	-	-	3,199	-	-	-	3,199
Miscellaneous	409,751	8,369	3,319	-	-	35,076	456,515
Total Revenues	$ 13,511,950	$ 330,438	$ 100,322	$ 698	$ 218,060	$ 35,076	$ 14,196,544
EXPENDITURES							
General support	1,517,016	687	112,441	-	-	-	1,630,144
Instruction	6,168,860	329,598	-	-	-	37,378	6,535,836
Pupil transportation	357,186	5,673	-	-	-	-	362,859
Employee benefits	3,983,777	-	37,869	-	-	-	4,021,646
Debt service							
Principal	845,000	-	-	-	-	-	845,000
Interest	201,259	-	-	-	-	-	201,259
Cost of sales	-	-	49,585	-	-	-	49,585
Capital outlay	-	-	-	-	4,924,615	-	4,924,615
Total Expenditures	13,073,098	335,958	199,895	-	4,924,615	37,378	18,570,944
Excess (Deficiency) of Revenues over Expenditures	438,852	(5,520)	(99,573)	698	(4,706,555)	(2,302)	(4,374,400)
OTHER FINANCING SOURCES AND USES							
Premiums on obligations	$ -	$ -	$ -	$ 55,807	$ -	$ -	$ 55,807
Proceeds from issuance of debt	-	-	-	-	180,000	-	180,000
Operating transfers in	-	5,520	80,000	-	-	-	85,520
Operating transfers (out)	(85,520)	-	-	-	-	-	(85,520)
Total Other Sources (Uses)	(85,520)	5,520	80,000	55,807	180,000	-	235,807
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	353,332	-	(19,573)	56,505	(4,526,555)	(2,302)	(4,138,593)
Fund Balances - Beginning of year	2,845,536	-	(18,435)	121,867	(3,553,079)	-	(604,111)
Restatement - GASB 84	-	-	-	-	-	88,443	88,443
Fund Balances - Beginning of year - restated	2,845,536	-	(18,435)	121,867	(3,553,079)	88,443	(515,668)
Fund Balances - End of year	$ 3,198,868	$ -	$ (38,008)	$ 178,372	$ (8,079,634)	$ 86,141	$ (4,654,261)

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Hamilton Central School District

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2021

Net Changes in Fund Balance - Total Governmental Funds		$ (4,138,593)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, these costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation expense and cost of assets disposed exceeded capital outlays in the period.		
Depreciation Expense	(1,031,374)	
Retirement/Disposal of Capital Assets	(12,279)	
Capital Outlays	4,979,174	3,935,521
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position. This is the amount by which repayment of bond principal exceeded (was less than) the proceeds from issuance of debt for the period.		
Repayment of Bond Principal	845,000	
Amortization of Bond premiums	141,550	
Proceeds from Debt	(180,000)	806,550
Certain revenues in the statement of activities do not provide current financial resources to the governmental funds, but are considered revenues on the statement of activities. This was the amount receivables changed from prior to current year.		
BOCES Aid Receivable		(24,162)
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in Compensated Absences	37,838	
Change in Other Post Employment Benefits Payable	(2,483,975)	
Amortization of Bond Issuance Costs	(17,166)	
Change in Accrued Interest	(76,388)	(2,539,691)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	(693,533)	
Employees' Retirement System	49,091	(644,442)
Change in Net Position - Governmental Activities		$ (2,604,817)

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Hamilton Central School District

Statement of Fiduciary Net Position
June 30, 2021

	Private Purpose Trusts	Custodial
ASSETS		
Cash - unrestricted	$ -	$ -
Cash - restricted	108,028	-
Investments - restricted	93,085	-
Total Assets	201,113	-
Net Position		
Reserved for scholarships	$ 201,113	$ -

Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2021

	Private Purpose Trusts
ADDITIONS	
Gifts and contributions	$ 14,436
Investment earnings	6,149
Total Additions	20,585
DEDUCTIONS	
Scholarships and awards	14,325
Change in Net Position	6,260
Net Position - Beginning of year	194,853
Net Position - End of Year	$ 201,113

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A) Reporting Entity

The Hamilton Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 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 other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

i) Extraclassroom Activity Funds

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

ii) Scholarship Funds

The Scholarship Funds of the District represent funds of donors. The Board of Education exercises general oversight of these funds. These funds are independent of the District with respect to its financial transactions. Separate audited fiduciary schedules of the Scholarship Funds are included with this report. The district accounts for assets held as an agent for various student organizations in a Trust fund.

B) Joint Venture

The District is one of several component school districts in the Madison-Oneida 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.

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

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

During the year, the District was billed $1,393,735 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $427,365. Financial statements for BOCES are available from the BOCES administrative office at 4937 Spring Road, Verona, New York 13478.

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 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 a 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.

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. If some funds are treated as non-major, add "All remaining governmental funds are aggregated and reported as non-major funds."

The District reports the following major governmental funds:

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

Special Revenue Funds: 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, school lunch operations, 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.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

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

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 in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

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

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

D) Measurement focus and basis of accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues 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, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st, and become a lien on August 31st. Taxes are collected during the period September 2nd to October 31st.

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

F) Restricted resources

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

G) Interfund transactions

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

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (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 8 for detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates

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

I) Cash (and cash equivalents)/Investments

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

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

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

J) Investments in Marketable Securities

Investments are accounted for in the fiduciary funds. The District carries investments in marketable securities and all debt securities with readily determinable fair values at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Fiduciary Net Position. Unrealized gains and losses are included in the change in Net Position in the accompanying Statement of Changes in Fiduciary Net Position

K) Receivable (or Accounts receivable)

Receivables (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.

L) Inventories and prepaid items

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

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

M) Other assets/restricted assets

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

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

N) Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to March 15, 2019. For assets acquired prior to this date, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

Classes of Capital Assets	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land Improvements	$500	Straight Line	20 – 50 Years
Buildings and Improvements	$500	Straight Line	20 – 50 Years
Furniture, Equipment and Vehicles	$500	Straight Line	8 – 12 Years

Capital assets that are not depreciated include land and construction in progress. Certain infrastructure capital assets are accounted for using the modified approach permitted for eligible assets under GASB 34. The modified approach requires that an asset management system be established which assures that an expenditure amount sufficient to preserve the assets in good condition for proper and efficient functioning is budgeted each year in lieu of depreciation. Accordingly, all expenditures made for those assets, other than additions and improvements that increase capacity or efficiency, are charged to expense in the period incurred instead of calculating depreciation. The school district is required to conduct a condition assessment of these assets at least once every three years.

O) Deferred Outflows and Inflows of Resources

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

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. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (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.

P) Unearned revenues

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the

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

Q) Vested employee benefits

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time:

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

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

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

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

R) Other benefits

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

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

S) Short-term debt

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

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 BAN's 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.

T) Accrued liabilities and long-term obligations

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

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

U) 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. In the absence of a specifically identified use of restricted net position, the District's policy is to use unrestricted net position available prior to using restricted net position.

Fund Balance Flow Assumption:

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of 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.

Order of Use of Fund Balance:

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

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

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

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

Unrestricted Net Position – reports all other Net Position that 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 balance:

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes School Lunch Fund inventory of $10,914, general fund reserve for advances of $38,008.

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

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

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

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

Tax Certiorari Reserve Fund

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

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

Liability Claims and Property Loss Reserve Fund
According to Education Law §1709(8) (c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000.

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

Insurance Reserve Fund
According to General Municipal Law §6-n, 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. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

Unemployment Insurance Payment Reserve Fund
According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action

and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

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

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

Restricted fund balance includes the following:

General Fund		
Unemployment insurance	$	287,345
Retirement contributions - ERS		129,162
Retirement contributions - TRS		280,430
Liability		552,844
Employee benefit accrued liability		893,752
Capital		213,677
Repairs		127,340
Debt Service Fund		178,372
Extraclassroom activities		86,141
Total restricted funds	$	2,749,063

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

Assigned - Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Reserve for Insurance Recoveries
Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is

expended in the same fiscal year in which it was received. The reserve is accounted for in the general fund.

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

Reserve for Tax Reduction
Reserve for Tax Reduction (Education Law §1604(36) and §1709(37)) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. The reserve is accounted for in the general fund.

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

V) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District implemented the following new standard issued by GASB:

GASB issued Statement No. 84, *Fiduciary Activities*	Effective for the year ending June 30, 2021
GASB has issued Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interest*	Effective for the year ending June 30, 2021

W) Future Changes in Accounting Standards

GASB has issued Statement No. 87, *Leases*	Effective for the year ending June 30, 2022
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
GASB has issued Statement No. 91, *Conduit Debt Obligations*	Effective for the year ending June 30, 2023
GASB has issued Statement No. 92, *Omnibus 2020*	Effective for the year ending June 30, 2022

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*	Effective for the year ending June 30, 2022
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. 96, *Subscription-Based Information Technology Arrangements*	Effective for the year ending June 30, 2023
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 No. 84, and a supersession of GASB Statement No. 32*	Effective for the year ending June 30, 2022

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

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

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

A) Total fund balances of governmental funds vs. net position of governmental activities:

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

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

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

i) Long-term revenue differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) 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.

Note 3 IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2021, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities accounting standard. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this standard required that the District present a Statement of Changes in Fiduciary Net Position for Custodial Funds for 2021. The implementation of this standard required the District to reclassify previously reported agency funds as custodial funds. The impact to the Municipality resulted in certain activities previously reported as fiduciary not being considered fiduciary under GASB 84.

Note 4 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

- General Fund

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.:

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

- Capital Project

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

- Special Aid Funds

  Budgets are established by grantors and used for individual program fund expenditures. The maximum program amount authorized is based upon the grantor contracts and agreements not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the program.

  Encumbrances

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

The District's unassigned fund balance was not in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

The capital projects fund had a deficit fund balance of $8,079,634 as of June 30, 2021. This will be funded when the District obtains permanent financing for its current construction project.

The school lunch fund had a deficit fund balance of $38,008 as of June 30, 2021. This will be funded through future subsidies budgeted through the general fund.

Note 5 CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Cash

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

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

Undercollateralized	$	-
Collateralized with securities held by the pledging financial institution, or it's trust department or agent, in the District's name	$	5,075,826

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $2,749,043 within the governmental funds and $108,028 in the fiduciary funds.

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

Interest Rate Risk
Interest rate risk is the risk that the fair value of investments 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 losses arising from increasing interest rates.

Credit Risk
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:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

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 United 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 organizations.

Note 6 INVESTMENTS

The District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value, and are categorized as either:

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District’s investments are valued based on Level 1 and 2 of the hierarchy.

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

Cash and cash equivalents: Valued at cost plus accrued interest, which approximates fair market value.
Common stocks and mutual funds: Valued at the net assets value (NAV) of shares held at year end. The NAV is the closing price reported on the open market on which the securities are traded.
Corporate bonds and mortgage assets: Valued at quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted market prices e.g interest rates and yield curves.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

		Fair Value Measurements Using		
June 30, 2021	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stock	$ 22,157	$ 22,157	$ -	$ -
Preferred Stock	26,614	26,614	-	-
Corporate Bonds	10,694	-	10,694	-
Corporate Mortgage Assets	3,007	-	3,007	-

Description	Quantity	Cost	Fair Value	Unrealized Gain (Loss)
AT&T Inc.	372	$ 9,993	$ 10,706	$ 713
Duke Energy Corp.	116	6,362	11,451	5,089
Assured Guaranty Muni Holding 6.25%	400	10,006	10,148	142
GE Capital Corp 4.05%	10,000	10,000	10,694	694
Western Alliance Bank	400	10,000	10,372	372
County-Wide CMO 5.5%	15,000	2,990	3,007	17
Arch Cap Group 5.25%	240	6,129	6,094	(35)
Total		$ 55,480	$ 62,472	6,992
Unrealized Gain (Loss) at beginning of year				4,193
Net Change in Unrealized Gains (Losses)	June 30, 2021			$ 2,799

The district does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

Note 7 CAPITAL ASSETS

General fixed assets are carried at estimated historical cost. The values of these assets, including any donated assets, are measured at the most recent cash or cash equivalent price of the asset as established by an independent appraiser. The most recent appraisal date was March 15, 2019. Maintenance, repairs, and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Any costs related to the asset that are incurred after the appraisal date such as additions, improvements, or replacements are added to the value of the asset if they provide future service potential; otherwise, they are expended in the period of occurrence. Proceeds from dispositions of property are included in income.

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 49,394	-	-	49,394
Construction in progress	3,373,724	4,591,364	-	7,965,088
Total nondepreciable historical cost	3,423,118	4,591,364	-	8,014,482
Capital assets that are depreciated:				
Outdoor Improvements	1,077,007	-	-	1,077,007
Buildings and Improvements	18,984,884	-	-	18,984,884
Furniture, Equipment and Vehicles	2,659,979	387,810	113,347	2,934,442
Total depreciable historical cost	22,721,870	387,810	113,347	22,996,333
Less accumulated depreciation:				
Outdoor Improvements	741,606	51,697	-	793,303
Buildings and Improvements	12,220,916	753,438	-	12,974,354
Furniture, Equipment and Vehicles	1,481,838	226,239	101,068	1,607,009
Total accumulated depreciation	14,444,360	1,031,374	101,068	15,374,666
Total depreciable and non-depreciable historical cost, net	$ 11,700,628			$ 15,636,149

Depreciation expense was charged to governmental functions as follows:	
General support	$ 13,696
Instuctional	870,997
Transportation	133,873
School food service	12,808
	$ 1,031,374

The district does not have infrastructure assets as defined by GASB publications.

Note 8 SHORT-TERM DEBT

The District may issue Revenue Anticipation Notes and Tax Anticipation Notes, 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 an insufficient or no provision is 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, 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.

Transactions in short-term debt for the year are summarized below:

	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate	Outstanding Amount
Bond Anticipation Note	7/11/2019	$ 800,000	7/10/2020	2.25%	$ -
Bond Anticipation Note	4/21/2020	1,200,000	7/10/2020	2.39%	-
Bond Anticipation Note	7/9/2020	9,133,000	7/9/2021	1.25%	9,133,000

	Beginning Balance	Issued	Redeemed	Ending Balance
Bond Anticipation Notes:				
BAN 7/11/2019	$ 800,000	-	800,000	$ -
BAN 4/21/2020	1,200,000	-	1,200,000	-
BAN 7/9/2020	-	9,133,000	-	9,133,000
Total	$ 2,000,000	9,133,000	2,000,000	$ 9,133,000

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

Interest paid	$ 24,244
Plus interest accrued in the current year	111,348
Less interest accrued in the prior year	(23,453)
Total interest expense	$ 112,139

Note 9 LONG-TERM DEBT

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Addition/ Issued	Deletion/ Redeemed	Ending Balance	Amounts Due Within One Year
Government activities:					
Debt Issue:					
K-12 Building 6/15/2010	$ 240,000	-	65,000	$ 175,000	$ 70,000
Refunding Bond 6/23/2016	2,205,000	-	615,000	1,590,000	635,000
Bus Purchase 8/22/2016	30,000	-	30,000	-	-
Bus Purchase 9/1/2017	70,000	-	35,000	35,000	35,000
Bus Purchase 11/1/2018	105,000	-	35,000	70,000	35,000
Bus Purchase 10/1/2019	120,000	-	30,000	90,000	30,000
Bus Purchase 10/1/2020	-	180,000	35,000	145,000	35,000
Total bonds and contracts payable	$ 2,770,000	180,000	845,000	2,105,000	$ 840,000
Less: Amortization of Advance Refunding and Bond Issuance Costs 2016	41,708	-	17,166	24,542	-
Total bonds payable (net)	2,811,708	180,000	862,166	2,129,542	840,000
Other liabilities					
Unamortized bond premiums	73,514	-	30,296	43,218	-
Compensated absences	902,766	(37,838)	-	864,928	-
Other postemployment benefits	39,401,524	3,158,417	1,000,330	41,559,611	-
Net pension liability - proportionate share	924,827	-	154,392	770,435	-
Total	$ 44,114,339	3,300,579	2,047,184	45,367,734	$ 840,000

The following is a summary of maturity of bond indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Serial Bond - Building	6/15/10	6/15/24	3.0 - 5.0%	$ 175,000
Refunding Bond	6/23/16	10/1/23	1.0 - 4.0%	1,590,000
Serial Bond - Bus	9/1/17	6/15/22	2.29%	35,000
Serial Bond - Bus	11/1/18	6/15/23	3.80%	70,000
Serial Bond - Bus	10/1/19	6/15/24	0.9% - 2.4%	90,000
Serial Bond - Bus	10/1/20	6/15/25	0.5% - 1.44	145,000
				$ 2,105,000

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

Fiscal Year Ending June 30,	Principal	Interest	Premium
2022	$ 840,000	$ 40,968	$ 22,496
2023	825,000	21,726	14,476
2024	400,000	6,431	6,246
2025	40,000	576	-
Total	$ 2,105,000	$ 69,701	$ 43,218

Interest paid on long-term debt during the year was:

Interest paid	$ 65,707
Less interest accrued in the prior year	(26,639)
Less amortzation of bond premium	(30,296)
Plus interest accrued in the current year	15,186
Plus amortization of issuance costs and deferred outflows	17,166
Total interest expense	$ 41,124

Compensated Absences - Compensated absences represent the value of earned and unused portion of the liability for compensated absences.

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

The following table sets forth the computation of the debt limit of the School District and its debt contracting margin:

Full Valuation of Taxable Real Property	$ 422,837,106
Debt Limit (10% of Full Valuation)	$ 42,283,711
Outstanding Indebtedness (principal portion)	
Serial Bonds	2,105,000
Bond Anticipation Notes	9,133,000
Total Indebtedness	11,238,000
Net Debt-Contracting Margin	$ 31,045,711
Percentage of Debt-Contraction Power Exhausted	26.6%

Note 10 INTERFUND BALANCES AND TRANSFERS

	Receivable	Payable	Revenue	Expense
General Fund	$ 241,937	76,846	$ -	85,520
School Food Service Fund	52,705	117,892	80,000	-
Special Aid Fund	-	124,148	5,520	-
Capital Projects Fund	24,244	20	-	-
Debt Service Fund	20	-	-	-
Total Government activities	318,906	318,906	85,520	85,520
Custodial	-	-	-	-
Total	$ 318,906	318,906	$ 85,520	85,520

All interfund payables are expected to be repaid within one year.

Note 11 PENSION PLANS

General information: The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). 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.

Provisions and administration: A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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 State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System’s website at www.nystrs.org.

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. 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. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

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

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, was:

Contributions	ERS	TRS
2021	$ 145,876	$ 445,958
2020	$ 133,589	$ 417,264
2019	$ 141,751	$ 492,783

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

Since 1989, the ERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised. As a result, the total unpaid liability at the end of the year was $-0-.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERED OUTFLOWS OF RESOURCES AND DEFERED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2021, 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, 2021 for ERS and June 30, 2020 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(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 to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	3/31/2021	6/30/2020
Net pension asset/(liability)	$ (3,713)	$(766,722)
District's portion of the Plan's total net pension asset/(liability)	0.0037%	0.0277%

For the year ended June 30, 2021, the District's recognized pension expense of $151,910 for ERS and the actuarial value $442,168 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 45,340	$ 671,802	$ -	$ 39,293
Changes of assumptions	682,612	969,725	12,874	345,656
Net difference between projected and actual earnings on pension plan investments	-	500,737	1,066,453	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	42,881	29,005	18,617	38,798
District's contributions subsequent to the measurement date	-	417,264	-	-
	$ 770,833	$ 2,588,533	$ 1,097,944	$ 423,747

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2021	$ -	$ 719,186
2022	55,719	606,176
2023	18,463	490,589
2024	51,315	300,186
2025	201,615	12,699
Thereafter	-	35,950

ACTUARIAL ASSUMPTIONS

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/2021	6/30/2020
Actuarial valuation date	4/1/2020	6/30/2019
Investment rate	5.9%	7.10%
Salary scale	4.4%	1.9 - 4.72%
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2009 - June 30, 2014
Inflation rate	2.7%	2.20%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2015 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

	ERS	TRS
Measurement date	3/31/2021	6/30/2020
Asset Type:		
Domestic equities	4.1%	7.1%
International equities	6.3%	7.7%
Global equity	n/a	7.4%
Private equity	6.8%	10.4%
Real estate equity	5.0%	6.8%
Credit	3.6%	n/a
Opportunistic portfolio	4.5%	n/a
Real assets	6.0%	n/a
Domestic fixed income	n/a	1.8%
Global fixed income	n/a	1.0%
Bonds and mortgages	0.8%	n/a
High-yield fixed income	n/a	3.9%
Cash	0.5%	0.7%
Inflation-indexed bonds	n/a	n/a
Private edebt	n/a	5.2%
Real estate debt	n/a	3.6%

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions form plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' 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.

SENISITIVITY OF THE PROPORTIONATE SHARE FO THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.1% 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 6.1% for TRS) or 1-percentage point higher (6.9% for ERS and 8.1% 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)	$ (1,030,451)	$ (3,713)	$ 943,181

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
Employer's proportionate share of the net pension asset (liability)	$ (4,843,119)	$ (766,722)	$ 2,654,408

PENSION PLAN FIDUCIARY NET POSITION

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)		
	ERS	TRS	Total
Valuation date	4/1/2020	6/30/2019	
Employers' total pension liability	$ 220,680,157	$ 123,242,776	$ 343,922,933
Plan Net Position	220,580,583	120,479,505	341,060,088
Employers' net pension asset/(liability)	$ 99,574	$ 2,763,271	$ 2,862,845
Ratio of plan net position to the Employers' total pension asset/(liability)	99.95%	97.8%	99.2%

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, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $40,886.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 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, 2021 amounted to $445,958.

Note 12 POST-EMPLOYMENT BENEFITS

The District provides post- employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - The school district provides medical, dental and vision benefits to its retired employees and their spouses. Employees are eligible for these benefits upon retirement at age 55 or over with at least 10 years of service. The school district pays from 85% to 100% of the cost of individual coverage and 0% to 85% of the cost spouse or dependent coverage.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Actives	94
Retirees	89
Beneficiaries	-
Spouses of Retirees	30
	213

Total OPEB Liability

The District's total OPEB liability of $41,559,611 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:
A discount rate of 2.16% was used based on the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2021.

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standards discounting unfunded liabilities based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Inflation
2.60%

Medical Trend:
6.6% initially scaling down to 4.1% over 56 years.

Changes in Total OPEB Liability

	June 30, 2021
Total OPEB Liability Beginning of Year	$ 39,401,524
Changes in total OPEB Liability:	
Service cost	1,916,194
Interest	902,129
Effect of demographic gains or losses	-
Effect of assumptions changes or inputs	340,094
Benefit payments	(1,000,330)
Total OPEB Liability End of Year	$ 41,559,611

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

	Discount Rate		
		Baseline Rate	
	1% Decrease	2.16%	1% Increase
Total OPEB Liability	$ 49,262,708	$ 41,559,611	$ 35,438,286

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.6 percent) or 1 percentage point higher (7.6 percent) than the current healthcare cost trend rate:

	Healthcare Cost Trend Rates		
		Baseline Rate 6.6%	
	1% Decrease	Decreasing	1% Increase
Total OPEB Liability	$ 33,978,848	$ 41,559,611	$ 51,625,572

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

For the year ended June 30, 2021, the District recognized OPEB expense of $3,484,305. At June 30, 2021, 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	$ 148,522	$ 432,328
Changes of assumptions	5,277,161	1,374,595
Employer contributions subsequent to measurement date	-	-
	$ 5,425,683	$ 1,806,923

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

Fiscal Year Ending June 30,	Amount
2022	$ 665,982
2023	665,982
2024	665,982
2025	957,559
2026	657,679
Thereafter	5,576
	$ 3,618,760

Note 13 RISK MANAGEMENT

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

Note 14 CONTINGENCIES AND COMMITMENTS

Potential Grantor Liability:
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.

Contingent Liability for Sick Leave:
The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness).

Potential Liability to New York State:
The District has received state aid revenue sharing and grants, which are subject to audit by New York State Comptroller's Office. Such audits may result in adjustments to revenues. Based on prior audits, the district's administration believes any adjustments will be immaterial.

Note 15 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

None of the funds had an excess of actual expenditures over budget for the year.

Note 16 DONOR RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships. Donor-restricted endowments are $201,113 and are reported at fair value. The amount of donor-restricted endowments that is available for authorization for expenditure by the District is $140,582. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donors.

Note 17 RESTATEMENT FOR CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 84, *Fiduciary Activities*. This pronouncement requires restatement of the June 30, 2020 net position of the government activities as follows:

Net position, June 30, 2020 as previously reported	$	(26,197,737)
Effect of GASB 84 implementation		88,443
Net position, June 30, 2020, as restated	$	(26,109,294)

The pronouncement also requires the restatement of the June 30, 2020 fund balance of the Miscellaneous Special Revenue Fund as follows:

Fund balance, June 30, 2020 as previously reported	$	-
Effect of GASB 84 implementation		88,443
Fund balance, June 30, 2020, as restated	$	88,443

Note 18 TAX ABATEMENTS

The District negotiates property tax abatement agreements on an individual basis. The District has a tax abatement agreement with 1 entity as of June 30, 2021.

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year	Amount Received under PILOT Agreement
PILOT agreement negotiated by the Madison County Industrial Development Agency with a local business under Title I of Article 18-A of New York State General Municipal Law to advance job opportunities, general prosperity and economic welfare of the community.	70%	$20,884	$8,950
PILOT agreement negotiated by the Madison County Industrial Development Agency with a local business under Article V of Private Housing Finance Law of New York State to provide affordable housing to eligible residents.	73%	$11,233	$4,181

Note 19 SUBSEQUENT EVENTS

The District issued a renewal bond anticipation note (BAN) in the amount of $8,795,657 on July 8, 2021, maturing July 8, 2022. This will refinance an existing BAN of $9,133,000 maturing July 9, 2021.

Required Supplementary Information

Hamilton Central School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (non-GAAP basis) and Actual – General Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 7,075,195	$ 7,075,195	$ 7,094,103	$ 18,908
Other tax items	866,000	866,000	858,170	(7,830)
Charges for services	40,500	40,500	42,541	2,041
Use of money and property	45,100	45,100	6,161	(38,939)
Sale of property and compensation for loss	2,100	2,100	10,291	8,191
Miscellaneous	128,715	156,688	409,751	253,063
Total Local Sources	8,157,610	8,185,583	8,421,017	235,434
State Sources	5,070,448	5,070,448	4,974,909	(95,539)
Federal Sources	37,506	37,506	116,024	78,518
Total Revenues	13,265,564	13,293,537	13,511,950	218,413
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	-	
Appropriated reserves	-	2,310	-	
Appropriated fund balance	130,000	130,000	-	
Total Other Financing Sources	130,000	132,310	-	
Total Revenues & Other Financing Sources	$ 13,395,564	$ 13,425,847	$ 13,511,950	

Hamilton Central School District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (non-GAAP basis) and Actual – General Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 18,446	$ 21,090	$ 17,531	$ -	$ 3,559
Central administration	197,882	199,987	198,405	-	1,582
Finance	228,279	240,955	238,722	-	2,233
Staff	48,154	180,491	178,916	-	1,575
Central services	830,408	794,607	765,672	24,521	4,414
Special items	205,646	141,693	117,770	-	23,923
Total General Support	1,528,815	1,578,823	1,517,016	24,521	37,286
Instruction					
Instruction, administration and improvement	297,772	297,232	273,255	-	23,977
Teaching - regular school	3,509,964	3,392,716	3,344,667	-	48,049
Programs for children with handicapping conditions	1,461,458	1,474,432	1,449,705	-	24,727
Occupational education	210,232	223,972	223,972	-	-
Teaching - special school	10,071	10,071	7,863	-	2,208
Instructional media	357,521	370,266	330,217	-	40,049
Pupil services	446,297	580,420	539,181	-	41,239
Total Instruction	6,293,315	6,349,109	6,168,860	-	180,249
Pupil Transportation	474,641	419,121	357,186	-	61,935
Employee Benefits	4,150,693	4,125,174	3,983,777	-	141,397
Debt Service Principal	840,000	845,000	845,000	-	-
Debt Service Interest	78,100	73,100	201,259	-	(128,159)
Total Expenditures	13,365,564	13,390,327	13,073,098	24,521	292,708
OTHER FINANCING USES					
Transfers to other funds	30,000	35,520	85,520	-	(50,000)
Total Other Financing Uses	30,000	35,520	85,520	-	(50,000)
Total Expenditures and Other Uses	$ 13,395,564	$ 13,425,847	$ 13,158,618	$ 24,521	$ 242,708
Net change in fund balances			353,332		
Fund balance - beginning			2,845,536		
Fund balance - ending			$ 3,198,868		

Hamilton Central School District

Changes in Total OPEB Liability and Related Ratios
For the year ended June 30, 2021

	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability Beginning of Year	$ 39,401,524	$ 31,399,869	$ 32,292,304	$ 30,589,951
Changes in total OPEB Liability:				
Service cost	1,916,194	1,252,339	1,581,093	1,535,042
Interest	902,129	1,126,851	1,003,504	947,812
Effect of plan changes	0	0	0	0
Effect of demographic gains or losses	0	(620,298)	1	289,970
Effect of assumptions changes or inputs	340,094	7,163,610	(2,624,225)	0
Benefit payments	(1,000,330)	(920,847)	(852,808)	(1,070,471)
Total OPEB Liability End of Year	$ 41,559,611	$ 39,401,524	$ 31,399,869	$ 32,292,304
Covered payroll	$ 4,951,586	$ 4,951,586	$ 5,609,514	$ 5,609,514
Net OPEB Liability as a percentage of Covered payroll	839.32%	795.74%	559.76%	575.67%

Note:
The District does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

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

Hamilton Central School District

Schedule of District's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2021

NYSLRS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)	0.0037%	0.0035%	0.0032%	0.0037%	0.0035%	0.0034%	0.0035%
District's proportionate share of the net pension liability (asset)	$ 3,713	$ 924,827	$ 225,951	$ 120,951	$ 328,483	$ 545,797	$ 118,576
District's covered-employee payroll	$ 999,151	$ 951,851	$ 1,019,692	$ 1,042,058	$ 982,095	$ 996,836	$ 942,687
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.37%	97.16%	22.16%	11.61%	33.45%	54.75%	12.58%
Plan fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.30%	98.24%	94.70%	90.70%	97.90%

TRS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)	0.0277%	0.0278%	0.0278%	0.0271%	0.0268%	0.0276%	0.0281%
District's proportionate share of the net pension liability (asset)	$ 766,722	$ (722,225)	$ (501,942)	$ (205,876)	$ 286,864	$ (2,869,955)	$ (3,131,741)
District's covered-employee payroll	$ 4,709,526	$ 4,640,141	$ 4,521,500	$ 4,292,142	$ 4,132,979	$ 4,150,515	$ 4,128,049
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.28%	-15.56%	-11.10%	-4.80%	6.94%	-69.15%	-75.86%
Plan fiduciary net position as a percentage of total pension liability	97.76%	102.17%	101.50%	100.66%	99.01%	110.46%	111.50%

Hamilton Central School District

Schedule of District's Contributions
For the year ended June 30, 2021

NYSLRS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution	$ 145,876	$ 133,589	$ 141,751	$ 150,346	$ 147,099	$ 168,059	$ 178,287
Contributions in relation to the contractually required contribution	$ 145,876	$ 133,589	$ 141,751	$ 150,346	$ 147,099	$ 168,059	$ 178,287
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 999,151	$ 951,851	$ 1,019,692	$ 1,042,058	$ 982,095	$ 996,836	$ 942,687
Contributions as a percentage of covered-employee payroll	14.60%	14.03%	13.90%	14.43%	14.98%	16.86%	18.91%

TRS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution	$ 417,264	$ 492,783	$ 443,107	$ 503,039	$ 548,033	$ 727,585	$ 674,846
Contributions in relation to the contractually required contribution	$ 417,264	$ 492,783	$ 443,107	$ 503,039	$ 548,033	$ 727,585	$ 674,846
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 4,709,526	$ 4,640,141	$ 4,521,500	$ 4,292,142	$ 4,132,979	$ 4,150,515	$ 4,128,049
Contributions as a percentage of covered-employee payroll	8.86%	10.62%	9.80%	11.72%	13.26%	17.50%	16.35%

Supplementary Information

Hamilton Central School District

Schedule of Change from Original Budget to Revised Budget
And Section 1318 of Real Property Tax Law Limit Calculation
For the year ended June 30, 2021

Change from Adpoted Budget to Revised Budget

Adopted Budget	$	13,395,564
Add: Prior year's encumbrances		2,310
Original Budget		13,397,874
Budget revision:		
None		-
Final budget	$	13,425,847
Next year's budget is a voter approved budget of	*$*	*14,032,840*

Section 1318 of Real Property Tax Law Limit Calculation

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law *

Subsequent year's voter-approved budget	$	14,032,840
Maximum allowed percentage		4%
Limit of unexpended surplus funds	$	561,314
General fund balance		
Nonspendable	$	38,008
Restricted		2,484,550
Assigned		154,521
Unassigned		521,789
Total governmental - general fund balance	$	3,198,868
Less:		
Restriced not subject to the law		(2,484,550)
Appropriated for subsequent year's budget in assigned		(130,000)
Encumbrances included in assigned		(24,521)
		(2,677,079)
General fund balance subject to limit	$	521,789
Calculated actual precentage		3.718%

Hamilton Central School District

Schedule of Project Expenditures-
Capital Projects Fund
For the year ended June 30, 2021

			Expenditures			
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance
PROJECT TITLE						
Bus Purchases	$ 180,000	180,000	-	173,655	173,655	$ 6,345
Bus Purchases - Prior Years	834,000	834,000	828,608	-	828,608	5,392
Gas Boiler	35,000	35,000	32,876	-	32,876	2,124
Building Project	15,300,000	15,300,000	3,373,724	4,591,364	7,965,088	7,334,912
Smart Schools Bond Act	408,466	408,466	186,871	159,596	346,467	61,999
	$ 16,757,466	16,757,466	4,422,079	4,924,615	9,346,694	$ 7,410,772

	Methods of Financing				Fund
	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Balance 6/30/21
PROJECT TITLE					
Bus Purchases	$ 180,000	-	-	180,000	$ 6,345
Bus Purchases - Prior Years	834,000	-	-	834,000	5,392
Gas Boiler	35,000	-	-	35,000	2,124
Building Project	-	-	-	-	(7,965,088)
Smart Schools Bond Act	-	218,060	-	218,060	(128,407)
	$ 1,049,000	218,060	-	1,267,060	$ (8,079,634)

Invested in Capital Assets, Net of Related Debt
June 30, 2020

Capital assets, net		$ 15,636,149
Add:		
Bond issuance cost - prepaid insurance	1,427	
Defeasance loss	23,115	
Unspent debt proceeds	1,181,773	1,206,315
Deduct:		
BANs payable	9,133,000	
Unamortized bond premiums	43,218	
Short-term portion of bonds payable	840,000	
Long-term portion of bonds payable	1,265,000	11,281,218
Investment in capital assets, net of related debt		$ 5,561,246

Report on Internal Control and Compliance in Accordance with Government Auditing Standards

CWYNAR, FARROW & LOCKE, CPAs
A Professional Limited Liability Company
43 S Broad Street
Norwich, New York 13815
(607) 334-3838 voice
(607) 441-1101 fax
www.Cwynar.com

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 Board of Education
Hamilton Central School District
Hamilton, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton Central School District as of and for the year ended June 30, 2021, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hamilton Central School District's internal control over financial reporting (internal control) to determine the 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 Hamilton Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hamilton Central School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hamilton Central School District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 (CONTINUED)

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.

October 10, 2021
Norwich, New York

Extra Classroom Activity Funds

CWYNAR, FARROW & LOCKE, CPAs
A Professional Limited Liability Company
43 S Broad Street
Norwich, New York 13815
(607) 334-3838 voice
(607) 441-1101 fax
www.Cwynar.com

Independent Auditor's Report

Board of Education
Hamilton Central School District
Extraclassroom Activity Funds
Hamilton, New York

We have audited the accompanying financial statements of the Extraclassroom Activity Funds of Hamilton Central School District (a New York State School District), which comprise the statement of assets, liabilities, and fund equity—cash basis as of June 30, 2021 and the related statement of cash receipts and disbursements—cash basis for the year then ended, and the related note to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Due to the fact that accounting controls generally are not exercised by students over cash receipts at the point of collection to the time of submission to the central treasurer, it was impracticable to extend our audit of such receipts beyond amounts recorded.

Qualified Opinion

In our opinion, except for the effects of any adjustments which might have resulted had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Extraclassroom Activity Funds of Hamilton Central School District as of June 30, 2021, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

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

Cwynar, Farrow & Locke, CPAs
Norwich, NY
October 10, 2021

Extra Classroom Activity Funds
Statement of Assets and Liabilities Arising from Cash Transactions
June 30, 2021

ASSETS	
Restricted Cash	$ 86,141
LIABILITIES AND FUND BALANCE	
Fund Balance	$ 86,141

See Independent Auditor's Report
See Accompanying Note to the Financial Statements

Hamilton Central School District

Extra Classroom Activity Funds
Statement of Revenues Collected and Expenses Paid
June 30, 2021

Activity	Balance July 01, 2020	Receipts	Disbursements	Balance June 30, 2021
Advocates	$ 135	-	-	$ 135
Almeda	622	-	-	622
Art Club	253	-	-	253
Band Club	918	584	470	1,032
Chem-Free	182	-	-	182
Chess Club	35	-	-	35
Class of 2019	1,279	-	-	1,279
Class of 2020	4,472	-	-	4,472
Class of 2021	655	-	518	137
Class of 2022	1,058	941	-	1,999
Class of 2023	322	388	-	710
Class of 2024	-	358	-	358
FFA	11,520	13,567	9,937	15,150
Friends of Hamilton School Music	8,294	4,200	4,592	7,902
Hamilton Health Fund	40	-	-	40
Hamiltonian	10,042	4,040	5,103	8,979
Honor Society	285	-	-	285
Knights Knook	70	-	-	70
Latin Club	271	-	-	271
L.O.T.E.	8,424	465	-	8,889
MS Student Council	661	4,000	1,836	2,825
Masquers	3,706	4,807	3,845	4,668
Model UN	764	-	-	764
Orchestra Club	713	-	-	713
SADD	60	-	-	60
Ski Club	3,311	-	-	3,311
Skyway Fund	1,556	-	-	1,556
Student Council	19,074	70	7,100	12,044
Teen-Aids Task Force	79	-	-	79
Time Program	1,002	-	-	1,002
Varsity Club	8,640	1,656	3,977	6,319
Totals	$ 88,443	35,076	37,378	$ 86,141

Note 1 ACCOUNTING POLICY

The Extraclassroom Activity Funds of the Hamilton Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. However, since the Board of Education does exercise general oversight, these funds are reflected in the Special Revenue Fund of the basic financial statements of the District.

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