

PRELIMINARY OFFICIAL STATEMENT

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 School 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.

\$14,750,000

MORIAH CENTRAL SCHOOL DISTRICT

ESSEX COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$14,750,000 Bond Anticipation Notes, 2022

(the "Notes")



Dated: July 13, 2022

Due: July 13, 2023

The Notes are general obligations of the Moriah Central School District, Essex 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.

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), or about July 13, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 30, 2022 by no later than 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 22, 2022

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

MORIAH CENTRAL SCHOOL DISTRICT ESSEX COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

DR. MICHAEL CELOTTI
President



TODD MALBON
Vice President

AMY GADDOR
DANA GILBO
ERICA KAZLO
BENJAMIN WINTERS

* * * * *

ADMINISTRATION

WILLIAM LARROW
Superintendent

ERIN GILBO
School District Business Manager

VALERIE MILDON
School District Treasurer

JAQUELINE M. KELLEHER, ESQ.
Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized By Moriah 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 Moriah Central School District.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
NATURE OF OBLIGATION	1	STATUS OF INDEBTEDNESS (cont.)	22
THE NOTES	2	Capital Project Plans	22
Description of the Notes	2	Cash Flow Borrowings.....	22
No Optional Redemption.....	3	Other Obligations	22
Purpose of Issue.....	3	Estimated Overlapping Indebtedness	22
BOOK-ENTRY-ONLY SYSTEM	3	Debt Ratios.....	23
Certificated Notes	4	SPECIAL PROVISIONS AFFECTING	
THE SCHOOL DISTRICT	5	REMEDIES UPON DEFAULT	23
General Information	5	MARKET AND RISK FACTORS	24
Population.....	5	TAX MATTERS	25
Selected Wealth and Income Indicators.....	5	LEGAL MATTERS	26
Five Largest Employers	5	LITIGATION	26
Unemployment Rate Statistics.....	6	CONTINUING DISCLOSURE	26
Form of School Government	6	Historical Compliance	26
Budgetary Procedures.....	6	MUNICIPAL ADVISOR	26
Investment Policy	7	CUSIP IDENTIFICATION NUMBERS	27
State Aid	7	RATING	27
State Aid Revenues.....	10	MISCELLANEOUS	27
District Facilities	11	APPENDIX – A	
Enrollment Trends	11	GENERAL FUND - Balance Sheets	
Employees	11	APPENDIX – A1	
Status and Financing of Employee Pension Benefits.....	11	GENERAL FUND – Revenues, Expenditures and	
Other Post-Employment Benefits	13	Changes in Fund Balance	
Other Information	14	APPENDIX – A2	
Financial Statements.....	15	GENERAL FUND – Revenues, Expenditures and	
New York State Comptroller Report of Examination.....	15	Changes in Fund Balance - Budget and Actual	
The State Comptroller’s Fiscal Stress Monitoring System	16	APPENDIX – A3	
TAX INFORMATION	16	GENERAL FUND – Revenues, Expenditures and	
Taxable Assessed Valuations.....	16	Changes in Fund Balance - Budget	
Tax Rates Per \$1,000 (Assessed).....	16	APPENDIX – B	
Tax Levy and Tax Collection Record	17	BONDED DEBT SERVICE	
Tax Collection Procedure	17	APPENDIX – B1	
Real Property Tax Revenues.....	17	CURRENT BONDS OUTSTANDING	
Larger Taxpayers 2021 for 2021-2022 Tax Roll	17	APPENDIX – C	
STAR – School Tax Exemption	18	MATERIAL EVENT NOTICES	
Additional Tax Information	18	APPENDIX – D	
TAX LEVY LIMITATION LAW	18	AUDITED FINANCIAL STATEMENTS AND	
STATUS OF INDEBTEDNESS	19	OTHER FINANCIAL INFORMATION- JUNE 30, 2021	
Constitutional Requirements.....	19	APPENDIX – E	
Statutory Procedure	19	FORM OF BOND COUNSEL’S OPINION	
Debt Outstanding End of Fiscal Year	20		
Details of Outstanding Indebtedness	21		
Debt Statement Summary	21		
Bonded Debt Service	21		

PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
MORIAH CENTRAL SCHOOL DISTRICT
ESSEX COUNTY, NEW YORK
Relating To
\$14,750,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Moriah Central School District, Essex County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$14,750,000 principal amount of Bond Anticipation Notes, 2022 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts

have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, 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 of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “NATURE OF OBLIGATION” hereunder and “TAX LEVY LIMITATION LAW” herein.

The Notes are to be dated July 13, 2022 and will mature, without option of prior redemption, on July 13, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) the name of the purchaser(s), in denominations of \$5,000 or integral multiples thereof, as may be determined by the successful bidder(s) with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), 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 issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on January 21, 2020 authorizing the issuance of up to \$14,960,000 serial bonds for a capital improvements project consisting of the construction of additions and security enhancements to and the renovation, reconstruction, alteration, and improvement of various District building and facilities.

The District currently has \$10,815,000 bond anticipation notes outstanding for this project scheduled to mature July 14, 2022. The proceeds of the Notes, with \$60,000 available funds of the District, will partially redeem and renew the bond anticipation notes maturing July 14, 2022 and provide \$3,995,000 new monies for the abovementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST 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. 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 has a land area of approximately 120 square miles. It is located in upstate New York in the middle of Essex County in the Adirondack State Park. The District is 45 miles south of Plattsburgh, 25 miles southwest of Burlington, Vermont and 28 miles southeast of Lake Placid (home of the 1932 and 1980 Winter Olympics). The District is primarily residential in nature. Serving the District is the New York State Northway (I #87), which runs from New York City to Montreal, New York State Routes #9N and #22, and County Roads #4, #7 and #42. Gas and electric services are provided to the residents of the District by National Grid. Water services are available to residents in most areas by municipalities located in the District. Source: District officials.

Source: District officials.

Population

The District has an estimated 2020 population of 4,536. (Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.)

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>
Towns of:						
Crown Point	\$ 16,692	\$ 23,981	\$ 33,849	\$ 39,853	\$ 60,130	\$ 82,404
Moriah	19,721	21,198	26,980	39,827	47,014	55,257
Westport	22,063	23,243	38,361	49,917	57,813	75,000
County of:						
Essex	18,194	26,378	33,906	41,927	63,404	66,262
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 U.S. census, 2006-2010 and 2016-2020 American Community Survey data.

Five Largest Employers

<u>Name</u>	<u>Type of Service</u>	<u>Approximate No. of Employees</u>
Mountain Lake Services	Health Services	700
Sylvamo	Mill	600
Essex County	Municipal Services	370
Moriah Central School District	Public Education	160
Wal-Mart Supercenter	Retail	100

Source: District officials

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Essex County	6.0%	5.3%	5.5%	4.8%	4.5%	%	%
New York State	5.3	4.9	4.7	4.1	3.8	9.9	6.9

	<u>2022 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Essex County	4.4%	4.7%	4.4%	3.7%	N/A	N/A
New York State	5.3%	5.1%	4.7%	4.2%	N/A	N/A

Note: Unemployment rates for May and June 2022 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education which is the policy-making body of the District consists of seven members with overlapping three year terms. 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. The President of the Board is the chief fiscal officer of the District.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the School District for the ensuing fiscal year (tentative budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

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

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 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). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Votes

The budget for the 2021-22 fiscal year was adopted by the qualified voters on May 18, 2021 by a vote of 165 to 24. The District's budget for the 2021-22 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.00% which remained within the District's tax levy limit of 2.18%.

The budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 183 to 29. The District's budget for the 2022-23 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called no tax levy increase, which remained within the District's tax levy limit of 5.84%.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to temporarily invest moneys which are not required for immediate expenditures with the exception of moneys the investment of which is otherwise provided for by law, 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 State Comptroller, tax anticipation notes and revenue anticipation notes issued by any State municipality, school district or district corporation, other than the School District; (6) obligations of a State public benefit corporation which are made lawful investments for the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in:

1. Savings Accounts or Money Market Accounts of designated banks.
2. Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State.
3. Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; Obligations of New York State; Obligations of the United States Government (U.S. Treasury Bills and Notes).
4. Cooperative investment program established in accordance with Article 5G of the New York General Municipal Law, as amended, and Article 3A of the General Municipal Law (Chapter 623 of the Laws of 1998).
5. Qualified Reciprocal Deposit Program as allowed under Chapter 128 of NYS Laws of 2012 amended sections 10 and 11 of the General Municipal Law.
6. Repurchase Agreements involving the purchase and sale of direct obligations of the United States.
7. Obligations of the local school district.

The District is not authorized to invest in reverse repurchase agreements or derivative type investments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2022-2023 fiscal year, approximately 77.41% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

Federal Aid Received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2022-2023 preliminary building aid ratios, the District expects to receive State building aid of approximately 97.0% 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 2017-2018 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

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

School District Fiscal Year (2020-2021): The 2020-21 Enacted Budget includes a year-to-year funding increase for State aid of \$95.0 million or .035%. Foundation Aid to school districts is frozen at the same level as the 2019-2020 fiscal year; while other aids, calculated according to formulas in current law, are responsible for the increase. The State's 2020-2021 Enacted Budget includes \$10 million in new funding for grants to school districts for student mental health services. It should be noted that there was an actual year-to-year decrease of State aid implemented through a reduction of each school district's State aid allocation from the 2019-2020 fiscal year. The reduction is being referred to as a "Pandemic Adjustment." However, the decrease in State aid is expected to be fully offset by an allocation received by the State of funds from the recently approved federal stimulus bill. Absent the federal stimulus funds, there would have been a \$1.127 billion decrease in State aid from the 2019-2020 fiscal year. In addition, 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. See "State Aid" herein for a discussion of this provision set forth in the 2020-2021 Enacted Budget.

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

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

State Aid Litigation

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

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

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

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

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

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

State Aid Revenues

The following table illustrates the percentage of total revenues comprised of State aid for each of the below completed fiscal years as well as budgeted figures for the current fiscal year.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2016-2017	\$ 16,149,841	\$ 11,856,637	73.42%
2017-2018	16,579,442	12,241,232	73.83
2018-2019	17,082,439	12,613,546	73.84
2019-2020	16,634,043	12,249,077	73.63
2020-2021	16,708,986	12,131,733	72.61
2021-2022 (Budgeted)	17,228,268	12,869,674	74.70
2022-2023 (Budgeted)	19,260,853	14,910,259	77.41

Source: Audited financial statements for the 2016-2017 fiscal year through and including the 2020-2021 fiscal year, and the budgets of the District for the 2021-2022 and 2022-2023 fiscal years.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built / Renovated</u>
Moriah Central School	K-12	1,000	1966, '68, '70, '00

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2017-18	713	2022-23	705
2018-19	707	2023-24	705
2019-20	708	2024-25	700
2020-21	703	2025-26	705
2021-22	712	2026-27	705

Source: District officials

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of the expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Members</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
90	Moriah Central School Teachers' Association	June 30, 2024
27	CSEA – Non Instructional	June 30, 2026

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- 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 2021-2022 and 2022-2023 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2016-2017	\$ 193,803	\$ 665,476
2017-2018	201,171	626,179
2018-2019	198,303	548,280
2019-2020	200,907	599,761
2020-2021	212,076	510,797
2021-2022 (Budgeted)	221,900	572,480
2022-2023 (Budgeted)	176,836	590,800

Source: District officials.

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

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

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

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

* Estimated.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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.

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 opted to participate in the NYS Contribution Stabilization Program by financing \$77,448 of its 2013-14 Local Retirement System contribution. Payments of \$9,391 will be made annually for 10 years with interest calculated to be 3.667%.

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District authorized a TRS Reserve Fund on December 9, 2021.

Other Post Employee Benefits

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

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

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

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

The District contracted with Armory Associates, LLC to calculate its first actuarial valuation under GASB 75 for the fiscal year ending June 30, 2018. The following outlines the changes to the Total OPEB Liability during the fiscal years ending June 30, 2020 and June 30, 2021, by source.

	Balance beginning at:	June 30, 2019	June 30, 2020
		<u>\$ 48,835,211</u>	<u>\$ 52,254,742</u>
<u>Changes for the year:</u>			
Service cost		1,561,628	1,570,169
Interest on total OPEB liability		1,922,516	1,857,410
Changes in Benefit Terms		-	(47,108)
Differences between expected and actual experience		-	3,529,407
Changes in Assumptions or other inputs		1,374,265	16,928,938
Benefit payments		<u>(1,438,878)</u>	<u>(1,512,095)</u>
Net Changes		<u>\$ 3,419,531</u>	<u>\$ 22,326,721</u>
	Balance ending at:	June 30, 2020	June 30, 2021
		<u>\$ 52,254,742</u>	<u>\$ 74,581,463</u>

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

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

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

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

In April 2015, the State Comptroller proposed legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state’s OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller’s proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law. It is not possible to predict whether the Comptroller’s proposed legislation will be reintroduced or enacted if introduced.

Other Information

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

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 has been filed with the Electronic Municipal Market Access ("EMMA") website and is attached hereto as "APPENDIX – D" to this Official Statement. Certain financial information of the District can also 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 Report of Examination

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

The most recent State Comptroller audit report of the District was dated June 14, 2019. The purpose of the audit was to determine whether the District claimed all Medicaid reimbursements to which it was entitled for services provided to special education students for the period July 1, 2017 through January 31, 2019.

Key Findings:

- The District lacked adequate procedures to ensure Medicaid claims were submitted and reimbursed for all eligible services provided.
- Claims were not submitted and reimbursed for 517.5 eligible services totaling \$21,211 and service providers did not document 1,769.5 scheduled services totaling \$56,998 in the special education system (system) as having been provided. Had these services been appropriately claimed and documented, the District could have realized potential revenues totaling \$39,105.

Key Recommendations:

- Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.
- Review all unclaimed services, determine whether these services are reimbursable and submit any eligible claims for reimbursement.
- Ensure service providers document all service encounters in the system.

The State Comptroller released an audit report of the District dated June 14, 2019. The purpose of the audit was to determine whether District officials maximized interest earnings for the period July 1, 2017 through January 31, 2019.

Key Findings:

- District officials did not develop and manage a comprehensive investment program to ensure interest earnings were maximized.
- Had officials invested idle funds in a financial institution with higher available interest rates, revenue would have increased by \$61,162 during the audit period.

Key Recommendations:

- Prepare monthly cash flow forecasts that estimate available funds for investment.
- Ensure idle funds are invested in a manner, within legal limits, to maximize interest earnings.

A copy of the complete reports and the District's responses can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no State Comptroller's audits of the District that are currently in progress or pending release at this time.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the 2017 through 2021 fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2021	No Designation	6.7
2020	No Designation	13.3
2019	No Designation	13.3
2018	No Designation	6.7
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 Valuation

<u>Fiscal Year Ending June 30:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Towns of:					
Crown Point	\$ 1,553,395	\$ 1,552,787	\$ 1,737,847	\$ 1,740,579	\$ 1,740,442
Moriah	210,491,168	212,642,438	227,318,474	226,397,437	228,154,935
Westport	387,235	377,032	387,050	383,905	378,569
Total Assessed Values	<u>\$ 212,431,798</u>	<u>\$ 214,572,257</u>	<u>\$ 229,443,371</u>	<u>\$ 228,521,921</u>	<u>\$ 230,273,946</u>

State Equalization Rates

Towns of:					
Crown Point	100.00%	100.00%	100.00%	100.00%	100.00%
Moriah	100.00%	100.00%	100.00%	100.00%	94.40%
Westport	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	<u>\$ 212,431,798</u>	<u>\$ 214,572,257</u>	<u>\$ 229,443,371</u>	<u>\$ 228,521,921</u>	<u>\$ 243,808,561</u>

Tax Rates Per \$1,000 Assessed

<u>Fiscal Year Ending June 30:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Towns of:					
Crown Point	\$ 18.64	\$ 18.71	\$ 17.41	\$ 17.46	\$ 16.65
Moriah	18.67	18.81	17.35	17.50	17.74
Westport	18.44	19.27	17.49	17.70	17.25

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Tax Levy	\$ 3,966,291	\$ 4,035,360	\$ 3,981,579	\$ 3,998,507	\$ 4,082,000
Amount Uncollected ⁽¹⁾	480,640	462,013	418,247	463,706	443,829
% Uncollected	12.12%	11.45%	10.50%	11.60%	10.87%

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. On or about November 1st, uncollected taxes are returnable to the County of Essex for collection. The School District receives this amount of uncollected taxes from said County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property & Other Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax & Tax Items</u>
2016-2017	\$ 16,149,841	\$ 3,981,911	24.66%
2017-2018	16,579,442	3,981,113	24.01
2018-2019	17,082,439	4,056,440	23.75
2019-2020	16,634,043	3,997,008	24.03
2020-2021	16,708,986	3,232,730	19.34
2021-2022 (Budgeted)	17,228,268	4,082,000	23.69
2022-2023 (Budgeted)	19,260,853	4,082,000	21.19

Source: Audited financial statements for the 2016-2017 fiscal year through and including the 2020-2021 fiscal year, and the budgets of the District for the 2021-2022 and 2022-2023 fiscal years.

Larger Taxpayers 2021 for 2021-2022 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
National Grid	Utility	\$ 8,242,266
State of New York	Forest Land	3,741,400
Solvay	Mine/Quarry	1,747,600
State of New York	Conservation Easements	1,470,678
Lyme Adirondack Timberlands II	Forest Land	1,261,354
New Timber	Forest Land	1,219,200
D&H Railway Co.	Railroad	1,307,182
Verizon	Utility	900,378
Level 3 Communications	Utility	803,386
Port Henry LLC	Supermarket	770,000

The ten larger taxpayers listed above have an approximate full valuation of \$21,463,444 which represents 8.80% of the tax base of the District.

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

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$88,050 or less in 2020-21 and \$90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$68,700 for the 2020-21 school year and \$70,700 for the 2021-22 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

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

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

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Crown Point	\$ 74,900	\$ 30,000	4/7/2022
Moriah	70,710	28,320	4/7/2022
Westport	74,900	30,000	4/7/2022

\$736,831 of the District’s \$4,082,000 school tax levy for the 2021-2022 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2022.

Approximately \$715,000 of the District’s \$4,082,000 school tax levy for the 2022-2023 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2023.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential 89.6%, State Land 2.3% and Commercial 8.1%.

The estimated total annual property tax bill of a \$75,000 market value residential property located in the School District is approximately \$2,500 including 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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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 District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the 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 District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

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

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

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds	\$ 12,555,000	\$ 10,690,000	\$ 8,745,000	\$ 8,897,511	\$ 7,365,000
Bond Anticipation Notes	392,914	427,069	306,452	438,938	1,513,742
Other Debt ⁽¹⁾	<u>531,162</u>	<u>327,506</u>	<u>114,706</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	\$ 13,479,076	\$ 11,444,575	\$ 9,166,158	\$ 9,336,449	\$ 8,878,742

⁽¹⁾ Represents an Energy Performance Contract (EPC). See "Other Obligations" herein.

Note: Totals above do not include advance refunded serial bonds outstanding where applicable.

Details of Outstanding Indebtedness

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

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u> ⁽¹⁾	2022-2035	\$ 8,165,000
<u>Bond Anticipation Notes</u>		
Capital Improvement Project	July 14, 2022	10,815,000 ⁽²⁾
Buses	October 22, 2022	<u>515,829</u>
Total Indebtedness:		<u>\$ 19,495,829</u>

⁽¹⁾ On November 9, 2017, the District issued \$2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded \$2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

⁽²⁾ To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$60,000 available funds of the District.

Debt Statement Summary

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

Full Valuation of Taxable Real Property	\$ 243,808,561
Debt Limit 10% thereof	24,380,856
<u>Inclusions:</u>	
Bonds ⁽¹⁾	\$ 8,165,000
Bond Anticipation Notes	575,829
Principle of this Issue	<u>14,750,000</u>
Total Inclusions	<u>\$ 23,490,829</u>
<u>Exclusions:</u>	
Building Aid ⁽²⁾	\$ <u>0</u>
Total Exclusions	<u>0</u>
Total Net Indebtedness	<u>\$ 23,490,829</u>
Net Debt-Contracting Margin	<u>\$ 890,027</u>
The percent of debt contracting power exhausted is	96.35%

⁽¹⁾ On November 9, 2017, the District issued \$2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded \$2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

⁽²⁾ Based on preliminary 2022-2023 building aid estimates, the District anticipates State Building aid of 97.0% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Capital Project Plans

The District annually issues bond anticipation notes for the purchase of buses. The District currently has \$515,829 bond anticipation notes outstanding for the purchase of buses. On May 17, 2022, the District voters approved \$277,900 for the purchase of buses by a vote of 175 to 37. The District expects to issue bond anticipation notes in fall 2022 for the purchase of buses.

On December 17, 2019, the qualified voters of the District approved a capital project consisting of various repair and renovation projects at a maximum cost of \$14,960,000. The total cost for bus garage repairs is \$1,041,601, work at the main building is \$9,992,453, and the total cost for work at the main campus site, including the track field and parking lot improvements, is \$3,924,223. 95.3% of total project costs will be covered by State Building aid, for a remaining local share of costs of \$703,120. On July 14, 2021, the District issued \$6,815,000 bond anticipation notes, which along with \$150,000 available funds of the District, renewed \$965,000 bond anticipation notes that matured on July 15, 2021 and provided \$6,000,000 as new monies for the aforementioned purpose. The District issued an additional \$4,000,000 of bond anticipation notes on February 25, 2022 as new money, maturing July 14, 2022 for the aforementioned purpose. The Notes are being issued, with \$60,000 available funds of the District to partially redeem and renew the \$10,815,000 bond anticipation notes outstanding for this project and provide \$3,995,000 new monies for the aforementioned project.

The District has no other capital projects authorized or contemplated at this time.

Cash Flow Borrowings

The District has not had to issue revenue anticipation notes to align the cash flow needs of the District with the State aid payment schedule since the 2011-2012 fiscal year. The District does not anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Other Obligations

The District purchased copiers for \$33,192 during the fiscal year end June 30, 2022. The total annual payment for each fiscal year ending June 30, 2022 through June 30, 2024 is \$11,604.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Essex	12/31/2020	\$ 23,164,000	\$ -	\$ 23,164,000	3.24%	\$ 750,514
Town of:						
Crown Point	12/31/2020	644,470	522,227	122,243	1.05%	1,284
Moriah	12/31/2020	8,864,141	6,348,193	2,515,948	96.03%	2,416,065
Westport	12/31/2020	3,259,174	1,374,038	1,885,136	0.16%	3,016
					Total:	<u>\$ 3,170,878</u>

⁽¹⁾ Bonds and bond anticipation notes not adjusted to include subsequent bond sales, if any.

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

Source: Most recent available State Comptroller's reports for fiscal year ending 2019 for the county and towns and for fiscal year ending 2020 for villages.

Debt Ratios

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

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 23,490,829	\$ 5,178.75	9.63%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	26,661,667	5,877.79	10.94

(a) The current estimated population of the District is 4,536. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2021-2022 fiscal year is \$243,808,561. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.

(d) Estimated net overlapping indebtedness is \$3,170,838. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

State Debt Moratorium Law. 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 obligations.

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, described below, 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.

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

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

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

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

MARKET AND RISK FACTORS

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the 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 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 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 District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the 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 District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

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

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

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

TAX MATTERS

In the opinion of 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. The proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E."

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

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

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

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 form attached hereto as "APPENDIX – E".

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal 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.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) 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 which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+" with a stable outlook to the District's outstanding bonds. 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 Notes.

MISCELLANEOUS

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

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

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

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: Erin Gilbo, Business Manager, 39 Viking Lane, Port Henry, New York 12974, Phone: (518) 546-3301 ext. 503, Fax: (518) 546-7895, Email: egilbo@moriahk12.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., telephone number (315) 752-0051, or at www.fiscaladvisors.com

MORIAH CENTRAL SCHOOL DISTRICT

Dated: July 13, 2022

DR. MICHAEL J. CELOTTI
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>ASSETS</u>					
Cash	\$ 3,358,397	\$ 2,808,394	\$ 2,263,781	\$ 2,453,953	\$ 2,249,325
Restricted cash & investments	1,180,379	1,152,903	1,158,812	1,205,373	1,210,440
Due from Other Funds	225,809	104,825	449,425	519,769	658,423
Accounts Receivables	75,745	74,292	30,370	100,350	30,612
Due from Other Governments	309,506	361,810	376,774	314,380	428,020
Due from State and Federal	207,143	257,188	208,458	216,857	233,759
Inventories	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 5,356,979</u></u>	<u><u>\$ 4,759,412</u></u>	<u><u>\$ 4,487,620</u></u>	<u><u>\$ 4,810,682</u></u>	<u><u>\$ 4,810,579</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 335,276	\$ 86,206	\$ 91,054	\$ 352,384	\$ 349,523
Accrued Liabilities	435	31,026	826	-	2,744
Overpayments	-	-	-	-	-
Revenue Anticipation Notes Payable	-	-	-	-	-
Bond Anticipation Notes Payable	-	-	-	-	-
Due to Other Funds	127,200	-	41,435	91,662	143,227
Due to Teachers' Retirement System	626,179	548,281	599,761	510,797	563,777
Due to Employees' Retirement Fund	49,330	49,576	50,185	51,994	59,196
Other Liabilities	-	-	-	-	-
TOTAL LIABILITIES	<u><u>1,138,420</u></u>	<u><u>715,089</u></u>	<u><u>783,261</u></u>	<u><u>1,006,837</u></u>	<u><u>1,118,467</u></u>
<u>FUND EQUITY</u>					
Nonspendable/Restricted	\$ 1,180,379	\$ 1,152,903	\$ 1,158,812	\$ 1,205,373	\$ 1,210,446
Appropriated/Assigned	461,502	657,596	587,198	629,850	573,212
Unappropriated/Unassigned	<u>2,576,678</u>	<u>2,233,824</u>	<u>1,958,349</u>	<u>1,968,622</u>	<u>1,908,460</u>
TOTAL FUND EQUITY	<u><u>4,218,559</u></u>	<u><u>4,044,323</u></u>	<u><u>3,704,359</u></u>	<u><u>3,803,845</u></u>	<u><u>3,692,118</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 5,356,979</u></u>	<u><u>\$ 4,759,412</u></u>	<u><u>\$ 4,487,620</u></u>	<u><u>\$ 4,810,682</u></u>	<u><u>\$ 4,810,585</u></u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Real Property Taxes	\$ 3,074,158	\$ 3,084,413	\$ 3,180,804	\$ 3,169,425	\$ 3,232,730
Other Tax Items/STAR aid	907,753	896,700	875,636	827,583	772,562
Charges for Services	84,699	109,151	147,131	190,621	141,661
Use of Money & Property	11,380	12,694	36,415	33,126	8,051
Sale of Property and					
Compensation for Loss	381	1,436	13	-	275
Miscellaneous	200,941	221,209	212,126	135,055	145,132
Revenues from State Sources	11,856,637	12,241,232	12,613,546	12,249,077	12,131,733
Revenues from Federal Sources	13,892	12,607	16,768	29,156	276,842
Total Revenues	<u>\$ 16,149,841</u>	<u>\$ 16,579,442</u>	<u>\$ 17,082,439</u>	<u>\$ 16,634,043</u>	<u>\$ 16,708,986</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 16,149,841</u>	<u>\$ 16,579,442</u>	<u>\$ 17,082,439</u>	<u>\$ 16,634,043</u>	<u>\$ 16,708,986</u>
EXPENDITURES					
General Support	\$ 1,375,841	\$ 1,565,435	\$ 1,525,074	\$ 1,571,838	\$ 1,524,838
Instruction	7,107,490	7,570,205	7,702,305	7,330,175	7,478,309
Pupil Transportation	624,487	613,659	628,231	546,719	541,013
Community Services	4,500	4,500	4,500	4,500	-
Employee Benefits	4,006,549	4,277,155	4,727,142	5,043,297	5,249,963
Debt Service	2,724,439	2,674,041	2,692,594	1,930,719	1,954,753
Total Expenditures	<u>15,843,306</u>	<u>16,704,995</u>	<u>17,279,846</u>	<u>16,427,248</u>	<u>16,748,876</u>
Other Uses:					
Interfund Transfers	<u>\$ 48,853</u>	<u>\$ 48,683</u>	<u>\$ 142,557</u>	<u>\$ 107,309</u>	<u>\$ 71,843</u>
Total Expenditures and Other Uses	<u>15,892,159</u>	<u>16,753,678</u>	<u>17,422,403</u>	<u>16,534,557</u>	<u>16,820,719</u>
Excess (Deficit) Revenues Over Expenditures	<u>257,682</u>	<u>(174,236)</u>	<u>(339,964)</u>	<u>99,486</u>	<u>(111,733)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	3,960,877	4,218,559	4,044,323	3,704,359	3,803,845
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,218,559</u>	<u>\$ 4,044,323</u>	<u>\$ 3,704,359</u>	<u>\$ 3,803,845</u>	<u>\$ 3,692,112</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:

	2021		
	Original Budget	Modified Budget	Audited Actual
REVENUES			
Real Property Taxes	\$ 3,187,041	\$ 3,187,041	\$ 3,232,730
Other Tax Items/STAR aid	827,000	827,000	772,562
Charges for Services	138,025	138,025	141,661
Use of Money & Property	32,500	32,500	8,051
Sale of Property and Compensation for Loss	-	-	275
Miscellaneous	92,000	92,000	145,132
Revenues from State Sources	12,366,285	12,366,285	12,131,733
Revenues from Federal Sources	12,000	12,000	276,842
Total Revenues	<u>\$ 16,654,851</u>	<u>\$ 16,654,851</u>	<u>\$ 16,708,986</u>
Other Sources:			
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 16,654,851</u>	<u>\$ 16,654,851</u>	<u>\$ 16,708,986</u>
EXPENDITURES			
General Support	\$ 1,620,249	\$ 1,610,824	\$ 1,524,838
Instruction	7,758,290	7,752,242	7,478,309
Pupil Transportation	602,487	558,124	541,013
Community Services	-	-	-
Employee Benefits	5,321,196	5,286,844	5,249,963
Debt Service	1,954,979	1,954,979	1,954,753
Total Expenditures	<u>17,257,201</u>	<u>17,163,013</u>	<u>16,748,876</u>
Other Uses:			
Interfund Transfers	<u>\$ 27,500</u>	<u>\$ 121,688</u>	<u>\$ 71,843</u>
Total Expenditures and Other Uses	<u>17,284,701</u>	<u>17,284,701</u>	<u>16,820,719</u>
Excess (Deficit) Revenues Over Expenditures	<u>(629,850)</u>	<u>(629,850)</u>	<u>(111,733)</u>
FUND BALANCE			
Fund Balance - Beginning of Year	3,803,845	3,803,845	3,803,845
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 3,173,995</u>	<u>\$ 3,173,995</u>	<u>\$ 3,692,112</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:	2019 Adopted Budget	2020 Adopted Budget	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget
REVENUES					
Real Property Taxes	\$ 4,037,013	\$ 4,060,348	\$ 4,002,041	\$ 4,082,000	\$ 4,082,000
Non-Property Tax Items	-	-	-	-	-
Charges for Services	5,050	5,050	5,525	5,050	5,050
Use of Money & Property	112,444	205,744	218,944	208,544	200,544
Sale of Property and Compensation for Loss	-	-	-	-	-
Interfund Revenue	-	-	-	-	-
Miscellaneous	95,000	109,000	92,000	51,000	51,000
Revenues from State Sources	12,521,503	12,404,991	12,324,341	12,869,674	14,910,259
Revenues from Federal Sources	12,000	12,000	12,000	12,000	12,000
Total Revenues	<u>\$ 16,783,010</u>	<u>\$ 16,797,133</u>	<u>\$ 16,654,851</u>	<u>\$ 17,228,268</u>	<u>\$ 19,260,853</u>
EXPENDITURES					
Administrative Component	\$ 1,753,058	\$ 2,077,575	\$ 1,753,058	\$ 1,948,649	\$ 1,938,608
Program Component	12,111,057	12,338,157	12,111,057	12,853,721	13,487,605
Capital Component	3,573,831	2,968,599	3,573,831	2,999,110	4,352,461
Total Expenditures	<u>\$ 17,437,946</u>	<u>\$ 17,384,331</u>	<u>\$ 17,437,946</u>	<u>\$ 17,801,480</u>	<u>\$ 19,778,674</u>
Other Uses:					
Interfund Transfers	-	-	-	-	-
Total Expenditures and Other Uses	<u>17,437,946</u>	<u>17,384,331</u>	<u>17,437,946</u>	<u>17,801,480</u>	<u>19,778,674</u>
Excess (Deficit) Revenues Over Expenditures	<u>(654,936)</u>	<u>(587,198)</u>	<u>(783,095)</u>	<u>(573,212)</u>	<u>(517,821)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	654,936	587,198	783,095	573,212	517,821
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Annual budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	\$ 1,600,000	\$ 393,670	\$ 1,993,670
2023	2,420,000	305,400	2,725,400
2024	2,340,000	197,650	2,537,650
2025	1,930,000	95,950	2,025,950
2026	275,000	43,675	318,675
2027	290,000	32,538	322,538
2028	100,000	20,788	120,788
2029	105,000	18,538	123,538
2030	110,000	16,175	126,175
2031	110,000	13,700	123,700
2032	115,000	11,225	126,225
2033	120,000	8,638	128,638
2034	125,000	5,938	130,938
2035	125,000	2,969	127,969
TOTALS	\$ 9,765,000	\$ 1,166,851	\$ 10,931,851

Note: On November 9, 2017, the District issued \$2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded \$2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	\$2,350,000		\$8,140,000		\$5,000,000	
	2005		2011H		2012	
	Capital Project		DASNY - Capital Project*		QSCB - Capital Project**	
	7/15	7/15 & 1/15	7/15	7/15 & 1/15	7/15	7/15 & 1/15
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 180,000	\$ 11,200	\$ 725,000	\$ 138,125	\$ 455,000	\$ 46,770
2023	190,000	3,800	760,000	101,000	475,000	28,863
2024	-	-	800,000	62,000	490,000	9,800
2025	-	-	840,000	21,000	-	-
TOTAL	\$ 370,000	\$ 15,000	\$ 3,125,000	\$ 322,125	\$ 1,420,000	\$ 85,433

Fiscal Year Ending June 30th	\$1,860,000		\$2,400,000		\$1,537,511	
	2014		2017F		2020	
	DASNY - Capital Project		DASNY - Refunding of 2011H		BOCES Capital Project	
	6/16	6/15 & 12/15	7/15	6/15 & 12/15	6/15	6/15 & 12/15
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 150,000	\$ 50,500	\$ 5,000	\$ 114,025	\$ 85,000	\$ 33,050
2023	155,000	43,000	755,000	97,600	85,000	31,138
2024	165,000	35,250	795,000	61,375	90,000	29,225
2025	170,000	27,000	830,000	20,750	90,000	27,200
2026	180,000	18,500	-	-	95,000	25,175
2027	190,000	9,500	-	-	100,000	23,038
2028	-	-	-	-	100,000	20,788
2029	-	-	-	-	105,000	18,538
2030	-	-	-	-	110,000	16,175
2031	-	-	-	-	110,000	13,700
2032	-	-	-	-	115,000	11,225
2033	-	-	-	-	120,000	8,638
2034	-	-	-	-	125,000	5,938
2035	-	-	-	-	125,000	2,969
TOTAL	\$ 1,010,000	\$ 183,750	\$ 2,385,000	\$ 293,750	\$ 1,455,000	\$ 266,794

* On November 9, 2017, the District issued \$2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings to refunded \$2,400,000 outstanding principal of the District's 2011H DASNY bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

** The District receives direct interest subsidy payments from the United States Treasury in amounts equal to 100% of the original interest on the bonds, less any applicable reduction due to Federal Sequestration.

MATERIAL EVENT NOTICES

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

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

With respect to event (d) the 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.

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.

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

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

The School 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 aforedescribed material event notices, 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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**MORIAH CENTRAL SCHOOL DISTRICT
ESSEX COUNTY, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

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 Preliminary Official Statement.

Contents

INDEPENDENT AUDITOR'S REPORT	1-3
Management's Discussion and Analysis	4-11
Statement of Net Position	12
Statement of Activities	13
Balance Sheet - Governmental Funds	14
Combined Statement of Revenues, Expenditures and Changes in Fund	15
Reconciliation of Governmental Funds Balance Sheet to the Statement	16
Reconciliation of Governmental Funds - Revenues, Expenditures and Changes	17
Notes to Financial Statements	18-46
SUPPLEMENTARY INFORMATION	
Schedule of change from adopted budget to final budget and the real property tax limit	47
Schedule of revenues, expenditures and changes in fund balance - budget and actual - general fund	48-49
Schedule of project expenditures - Capital projects fund	50
Net investment in capital assets	51
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	52
Schedule of District's Proportionate Share of the Net Pension Liability - NYSERS	53
Schedule of the District's Contributions - NYSERS	54
Schedule of District's Proportionate Share of the Net Pension Liability - NYSTRS	55
Schedule of the District's Contributions - NYSTRS	56
Schedule of Expenditures of Federal Awards	57
Notes to the Schedule of Expenditures of Federal Awards	58
Independent Auditor's Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	59-60
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	61-62
Schedule of Findings and Questioned Costs	63-65
Extraclassroom Activity Fund:	
Independent auditor's report	66-67
Statements of assets, liabilities and fund balance - cash basis	68
Statement of cash receipts, disbursements and ending balances - cash basis	69
Notes to financial statements	70

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Moriah Central School District
Port Henry, 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 Moriah 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 basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 11), budgetary comparison information (pages 48 & 49), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 52) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 53-56) 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moriah Central School District's basic financial statements as a whole. The Combining Non-Major Fund financial statements, Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of Moriah Central School District. The Combining Non-Major Fund financial statements, Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Net Investment in Capital Assets, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021 on our consideration of the Moriah 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 the 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 Moriah Central School District's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA's PC
September 27, 2021

MORIAH CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2021

As management of the Moriah Central School District, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (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 District:

- The first two statements are entity-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the operations in more detail than the entity-wide statements.
- The governmental fund statements tell how basic services such as instruction and support functions were financed in the short term as well as what remains for future spending.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. 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 District's net position and how it has changed. Net position, the difference between the assets and liabilities, is one way to measure the financial health or position of the District.

- Over time, increases and decreases in net position is an indicator of whether the financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

Governmental funds: Most of the 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 fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the entity-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. In summary, the government fund statements focus primarily on the sources, uses, and balances of current financial resources and often have a budgetary orientation. Included are the general fund, special revenue funds, capital project funds and permanent funds. Required statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the district, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(35,102,165) at the close of the most recent fiscal year.

Condensed Statement of Net Assets	2021	Restated 2020
Current and other assets	\$ 5,123,530	\$ 6,124,306
Capital assets, net of accumulated depreciation	23,342,524	23,171,727
Total Assets	28,466,054	29,296,033
Deferred outflows of resources:		
Pensions	4,062,492	3,477,867
Other post employment benefits	23,093,425	7,112,707
Total Deferred Outflows of Resources	27,155,917	10,590,574
Total Assets and Deferred Outflows of Resources	\$ 55,621,971	\$ 39,886,607
Long-term debt outstanding	\$ 83,102,795	\$ 62,632,808
Other liabilities	2,599,118	1,473,225
Total Liabilities	85,701,913	64,106,033
Deferred inflows of resources:		
Pensions	1,825,933	1,219,719
Other post employment benefits	3,196,290	4,493,707
Total Deferred Inflows of Resources	5,022,223	5,713,426
Net assets:		
Net investment in capital assets	15,821,860	15,247,224
Restricted	1,916,976	1,925,342
Unrestricted	(52,841,001)	(47,105,418)
Total Net Assets	(35,102,165)	(29,932,852)
Total Liabilities and Net Assets	\$ 55,621,971	\$ 39,886,607

A significant portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable used to acquire those assets that is still outstanding). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

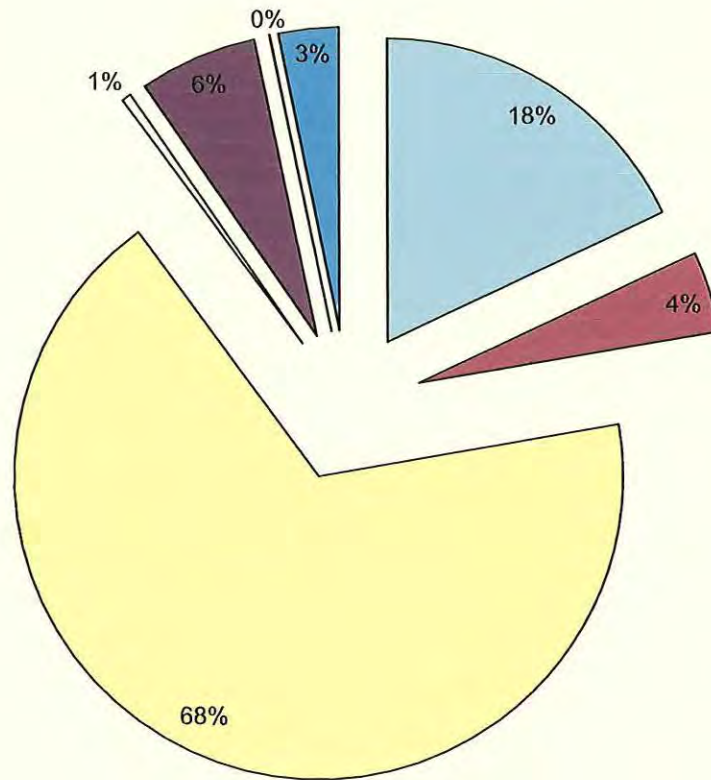
An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. This relates to debt service, various reserves and amounts held in a maintenance escrow account.

The total net position of the District decreased during the current fiscal year primarily due to changes in the accruals of other post-employment benefits.

Changes in Net Position

	2021	Restated 2020
Revenues		
Program revenues		
Charges for services	\$ 90,178	\$ 22,065
Operating grants and contributions	1,134,984	1,158,768
General revenues		
Property taxes	3,232,730	3,169,425
Other tax items/star aid	772,562	827,583
Charges for services	141,661	190,621
State formula aid	12,131,733	12,250,337
Federal aid	276,842	29,156
Use of money and property	9,118	42,517
Sale of property and compensation for loss	(27,336)	(4,769)
Miscellaneous	186,781	223,534
Total Revenues	17,949,253	17,909,237
Expenses		
General support	1,865,105	1,912,452
Instruction	8,982,018	8,691,572
Transportation	724,634	664,666
Community service	-	4,500
Employee benefits	11,027,041	7,926,459
Debt service - interest	261,522	264,702
Cost of sales - food	258,246	250,689
Capital outlay - Boces Project	-	1,537,511
Total Expenses	23,118,566	21,252,551
Decrease in Net Position	\$ (5,169,313)	\$ (3,343,314)

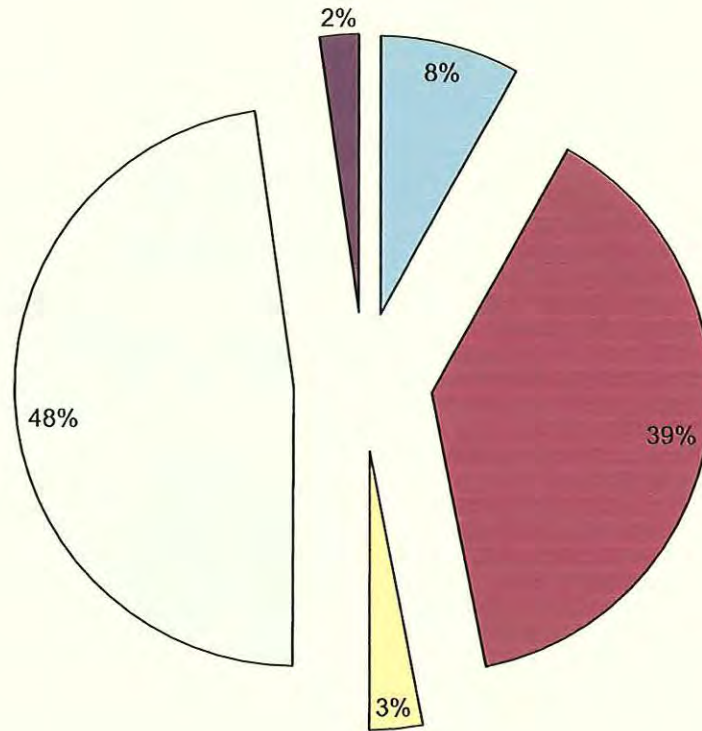
Sources of Revenues for Fiscal Year 2021



☐ Real Property Taxes
 ☐ Other Tax Items Star Aid
 ☐ State Sources
 ☐ Charge for Services
 ☐ Operating Grants
 ☐ Use of Money and Property
 ☐ Other

Revenue Source	Amount
Real Property Taxes	\$3,232,730
Other Tax Items/Star Aid	772,562
State Sources	12,131,733
Charge for Services	90,178
Operating Grants	1,134,984
Use of Money and Property	9,118
Other	577,948
Total	<u>\$17,949,253</u>

Expenses for Fiscal Year 2021



☐ General Support
 ☐ Instruction
 ☐ Pupil Transportation
 ☐ Employee Benefits
 ☐ Other

Expenditures	Amount
General Support	\$1,865,105
Instruction	8,982,018
Pupil Transportation	724,634
Employee Benefits	11,027,041
Other	519,768
Total	<u>\$23,118,566</u>

Financial analysis of the District's Funds

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

General fund: The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance was a surplus of \$3,692,112. Expenditures for general District purposes totaled \$16,748,876.

General fund instructional expenses totaled \$7,478,309 while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance were \$5,249,963 to arrive at 76.0% of total General Fund expenditures.

The capital projects fund has a negative fund balance of \$(1,571,662) which will be replenished through State Aid, transfers from the General Fund in future years, or bond financing.

The school food service program has a fund balance of \$0.

General Fund Budgetary highlights

During the year actual revenues were more than the budget estimate by \$104,722, mostly in federal aid.

Actual expenditures were less than budgeted by \$463,982, a result of better controlled costs. Program revenues are budgeted to spend all available resources.

Capital Asset and Debt Administration

Capital Assets: The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The District did major renovations and additions at a cost of \$1,089,096 during the fiscal year.

Capital assets, net of depreciation at June 30, 2021 and 2020 are as follows:

	2021	2020
Land	\$ 66,103	\$ 66,103
Contrution in process	1,004,912	180,238
Buildings and improvements	21,119,538	21,719,696
Furniture and equipment	1,151,971	1,205,690
Total	<u>\$ 23,342,524</u>	<u>\$ 23,171,727</u>

Additional information on the District's capital assets can found in Note 5 to the basic financial statements.

Debt Administration: The District has outstanding bonds payable and one lease-purchase obligation related to building expansions and building renovations on the campus. In addition, the District has financed a portion of its employee retirement system contribution and some copiers. Additional information on the District's outstanding debt payable can be found in Note 7 in the basic financial statements.

	2021	2020
General obligation bonds	\$ 7,461,922	\$ 9,010,587
Employee retirement system contribution	26,227	34,358
Copiers installment obligation	-	12,489
	<u>\$ 7,488,149</u>	<u>\$ 9,057,434</u>

Factors Bearing on the District's Future

Changing Enrollment within the District:

The components of changing enrollment are migration and the kindergarten to grade 12 (K-12) differentials. The K-12 differential is the size of the grade 12 leaving, and the size of the kindergarten students entering the District in a given year. District births and the number of students per grade are known data. District growth occurs when the number of kindergarten students entering the system exceeds the grade 12 students leaving the system in a given fiscal year. The current expectation is for a slight increase in enrollment in the next fiscal year.

The district has a low median income for its resident population and services a large percentage of special needs children. It is this low income and high average student costs that create great budgetary concerns when constructing the financial operating plan of the District.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Moriah Central School District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information, contact the Business Office, Moriah Central School District, Port Henry, NY 12974.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 1

STATEMENT OF NET POSITION

June 30, 2021

ASSETS

Cash:

Unrestricted	\$ 2,303,416
Restricted	1,914,419

Receivables:

Accounts receivable	32,452
State & federal aid receivable	430,836
Due from other governments	428,020

Inventories

14,387

Capital assets, net

23,342,524

Total Assets

28,466,054

DEFERRED OUTFLOWS OF RESOURCES

Pensions

4,062,492

Other post employment benefits

23,093,425

Total Deferred Outflows of Resources

27,155,917

Total Assets and Deferred Outflows of Resources

\$ 55,621,971

LIABILITIES

Payables:

Accounts payable	\$ 375,115
Accrued expenses	85,250
Overpayments	2,004
Bonds anticipation notes payable	1,513,742
Due to teachers' retirement system	563,777
Due to employees' retirement system	59,196
Due to other governments	34

Long-Term Liabilities

Due and payable within one year:

Bonds payable and other long-term debt, current	1,600,000
Due to employees' retirement system	8,429

Due and payable after one year:

Bonds payable and other long-term debt, non-current	5,861,922
Due to employees' retirement system	17,798
Compensated absences payable	133,927
Other post employment benefits	74,581,463
Net pension liability-proportionate share	899,256

Total Liabilities

85,701,913

DEFERRED INFLOWS OF RESOURCES

Pensions

1,825,933

Other post employment benefits

3,196,290

Total Deferred Inflows of Resources

5,022,223

NET POSITION

Net investment in capital assets

15,821,860

Restricted

1,916,976

Unrestricted

(52,841,001)

Total Net Position

(35,102,165)

Total Liabilities, Deferred Inflows of Resources and Net Position

\$ 55,621,971

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Functions/ Programs:	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS
General support	\$ (1,865,105)	\$ -	\$ -
Instruction	(8,982,018)	-	761,848
Pupil transportation	(724,634)	-	-
Employee benefits	(11,027,041)	-	-
Debt service	(261,522)	-	-
School Lunch	(258,246)	90,178	373,136
Total Functions and Programs	\$ (23,118,566)	\$ 90,178	\$ 1,134,984
General Revenues:			
Real property taxes			3,232,730
Other tax items/star aid			772,562
Charges for services			141,661
Use of money and property			9,118
Sale of property and compensation for loss			(27,336)
Miscellaneous			186,781
State sources			12,131,733
Federal sources			276,842
Total General Revenues			16,724,091
Change in Net Assets			(5,169,313)
Total Net Position - Beginning of year, as previously reported			(30,652,821)
Prior period adjustment (Note 13)			719,969
Total Net Position - Beginning of year, as restated			(29,932,852)
Total Net Position - End of year			\$ (35,102,165)

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 3

BALANCE SHEET-GOVERNMENTAL FUNDS

June 30, 2021

	GENERAL FUND	SPECIAL AID	SCHOOL FOOD SERVICE	CAPITAL PROJECTS	DEBT SERVICE	SCHOLARSHIP FUND	EXTRACURRICULAR ACTIVITIES FUND	TOTAL
ASSETS								
Cash	\$ 2,249,325	\$ 2,443	\$ 46,377	\$ 5,271	\$ -	\$ -	\$ -	\$ 2,303,416
Restricted cash	1,210,440	-	-	-	-	628,564	75,415	1,914,419
Due from other funds	658,423	-	16,153	-	2,557	-	-	677,133
Accounts receivable	30,612	-	1,840	-	-	-	-	32,452
Due from other governments	428,020	-	-	-	-	-	-	428,020
State & federal aid receivable	233,759	108,031	89,046	-	-	-	-	430,836
Inventories	-	-	14,387	-	-	-	-	14,387
Total Assets	\$ 4,810,579	\$ 110,474	\$ 167,803	\$ 5,271	\$ 2,557	\$ 628,564	\$ 75,415	\$ 5,800,663
LIABILITIES								
Accounts payable	\$ 349,523	\$ 942	\$ 19,379	\$ 5,271	\$ -	\$ -	\$ -	\$ 375,115
Accrued liabilities	2,744	-	-	-	-	-	-	2,744
Overpayments	-	-	2,004	-	-	-	-	2,004
Bond anticipation notes payable	-	-	-	1,513,742	-	-	-	1,513,742
Due to other funds	143,227	329,600	146,386	57,920	-	-	-	677,133
Due to teachers' retirement system	563,777	-	-	-	-	-	-	563,777
Due to employees' retirement system	59,196	-	-	-	-	-	-	59,196
Due to other governments	-	-	34	-	-	-	-	34
Total Liabilities	1,118,467	330,542	167,803	1,576,933	-	-	-	3,193,745
FUND BALANCES								
Nonspendable								
Inventory	-	-	14,387	-	-	-	-	14,387
Restricted								
Unemployment insurance	103,774	-	-	-	-	-	-	103,774
Retirement contributions - ERS	259,434	-	-	-	-	-	-	259,434
Retirement contributions - TRS	25,075	-	-	-	-	-	-	25,075
Property loss	15,566	-	-	-	-	-	-	15,566
Employee benefit accrued liability	47,828	-	-	-	-	-	-	47,828
Retirement of long-term debt	758,763	-	-	-	2,557	-	-	761,320
Other	-	-	-	-	-	628,564	75,415	703,979
Assigned								
Appropriated fund balance	573,212	-	-	-	-	-	-	573,212
Unassigned	1,908,460	(220,068)	(14,387)	(1,571,662)	-	-	-	102,343
Total Fund Balances	3,692,112	(220,068)	-	(1,571,662)	2,557	628,564	75,415	2,606,918
Total Liabilities and Fund Balances	\$ 4,810,579	\$ 110,474	\$ 167,803	\$ 5,271	\$ 2,557	\$ 628,564	\$ 75,415	\$ 5,800,663

See Notes to the Financial Statements

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 4

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Year Ended June 30, 2021

	GENERAL FUND	SPECIAL AID	SCHOOL FOOD SERVICE	CAPITAL PROJECTS	DEBT SERVICE	SCHOLARSHIP FUND	EXTRACURRICULAR ACTIVITIES FUND	TOTAL
REVENUES								
Real property taxes	\$ 3,232,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,232,730
Other tax items/star aid	772,562	-	-	-	-	-	-	772,562
Charges for services	141,661	-	-	-	-	-	-	141,661
Use of money and property	8,051	-	-	-	-	1,067	-	9,118
Sale of property and compensation for loss	275	-	-	-	-	-	-	275
Miscellaneous	145,132	-	-	-	-	18,724	20,368	184,224
State sources	12,131,733	255,789	12,264	-	-	-	-	12,399,786
Federal sources	276,842	506,059	338,999	-	-	-	-	1,121,900
Surplus food	-	-	21,873	-	-	-	-	21,873
Sales (school lunch)	-	-	90,178	-	-	-	-	90,178
Total Revenues	16,708,986	761,848	463,314	-	-	19,791	20,368	17,974,307
EXPENDITURES								
General support	1,524,838	5,720	209,021	-	-	16,398	39,751	1,795,728
Instruction	7,478,309	821,593	-	-	-	-	-	8,299,902
Pupil transportation	541,013	61,803	-	-	-	-	-	602,816
Employee benefits	5,249,963	92,800	67,890	-	-	-	-	5,410,653
Debt service	1,954,753	-	-	-	-	-	-	1,954,753
Cost of sales (school lunch)	-	-	258,246	-	-	-	-	258,246
Capital outlay	-	-	-	1,084,208	-	-	-	1,084,208
Total Expenditures	16,748,876	981,916	535,157	1,084,208	-	16,398	39,751	19,406,306
Excess (Deficit) of Revenues over Expenditures	(39,890)	(220,068)	(71,843)	(1,084,208)	-	3,393	(19,383)	(1,431,999)
OTHER SOURCES AND USES								
Bond anticipation notes redeemed from appropriations	-	-	-	131,730	-	-	-	131,730
BAN premium	-	-	-	-	2,557	-	-	2,557
Interfund transfers in	-	-	71,843	-	-	-	-	71,843
Interfund transfers out	(71,843)	-	-	-	-	-	-	(71,843)
Total Other Sources	(71,843)	-	71,843	131,730	2,557	-	-	134,287
Excess (Deficit) of Revenues and Other Sources over Expenditures	(111,733)	(220,068)	-	(952,478)	2,557	3,393	(19,383)	(1,297,712)
Fund Balances, Beginning of Year restated (Note 13)	3,803,845	-	-	(619,184)	-	625,171	94,798	3,904,630
Fund Balances, Ending of Year	\$ 3,692,112	\$ (220,068)	\$ -	\$ (1,571,662)	\$ 2,557	\$ 628,564	\$ 75,415	\$ 2,606,918

See Notes to the Financial Statements

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 5

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET ASSETS TOTALS
ASSETS				
Cash	\$ 2,303,416	\$ -	\$ -	\$ 2,303,416
Restricted cash	1,914,419	-	-	1,914,419
Due from other funds	677,133	-	(677,133)	-
Accounts receivable	32,452	-	-	32,452
Due from other governments	428,020	-	-	428,020
State & federal aid receivable	430,836	-	-	430,836
Inventories	14,387	-	-	14,387
Capital assets, net	-	23,342,524	-	23,342,524
Total Assets	5,800,663	23,342,524	(677,133)	28,466,054
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	4,062,492	-	4,062,492
Other post employment benefits	-	23,093,425	-	23,093,425
Total Deferred Outflows of Resources	-	27,155,917	-	27,155,917
Total Assets and Deferred Outflows of Resources	\$ 5,800,663	\$ 50,498,441	\$ (677,133)	\$ 55,621,971
LIABILITIES				
Accounts payable	\$ 375,115	\$ -	\$ -	\$ 375,115
Accrued expenses	2,744	82,506	-	85,250
Overpayments	2,004	-	-	2,004
Bond anticipation notes payable	1,513,742	-	-	1,513,742
Due to other funds	677,133	-	(677,133)	-
Due to teachers' retirement system	563,777	-	-	563,777
Due to employees' retirement system	59,196	26,227	-	85,423
Due to other governments	34	-	-	34
Bonds payable and other long term debt	-	7,461,922	-	7,461,922
Compensated absences	-	133,927	-	133,927
Other post employment benefits	-	74,581,463	-	74,581,463
Net pension liability-proportionate share	-	899,256	-	899,256
Total Liabilities	3,193,745	83,185,301	(677,133)	85,701,913
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	1,825,933	-	1,825,933
Other post employment benefits	-	3,196,290	-	3,196,290
Total Deferred Inflows of Resources	-	5,022,223	-	5,022,223
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	2,606,918	(37,709,083)	-	(35,102,165)
Total Liabilities, Deferred Inflows and Fund Balance/Net Position	\$ 5,800,663	\$ 50,498,441	\$ (677,133)	\$ 55,621,971

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 6

RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	\$ 3,232,730	\$ -	\$ -	\$ -	\$ -	\$ 3,232,730
Other tax items/star aid	772,562	-	-	-	-	772,562
Charges for services	141,661	-	-	-	-	141,661
Use of money and property	9,118	-	-	-	-	9,118
Sale of property and compensation for loss	275	-	(27,611)	-	-	(27,336)
Miscellaneous	184,224	-	-	-	-	184,224
State sources	12,399,786	-	-	-	-	12,399,786
Federal sources	1,121,900	-	-	-	-	1,121,900
Surplus food	21,873	-	-	-	-	21,873
Sales (school lunch)	90,178	-	-	-	-	90,178
Total Revenues	17,974,307	-	(27,611)	-	-	17,946,696
EXPENDITURES						
General support	1,795,728	-	81,866	(12,489)	-	1,865,105
Instruction	8,299,902	-	682,116	-	-	8,982,018
Pupil transportation	602,816	-	121,818	-	-	724,634
Community services	-	-	-	-	-	-
Employee benefits	5,410,653	5,624,519	-	(8,131)	-	11,027,041
Debt service	1,954,753	(28,990)	-	(1,532,511)	(131,730)	261,522
Cost of sales (school lunch)	258,246	-	-	-	-	258,246
Capital outlay	1,084,208	-	(1,084,208)	-	-	-
Total Expenditures	19,406,306	5,595,529	(198,408)	(1,553,131)	(131,730)	23,118,566
Excess (Deficit) of Revenues over Expenditures	(1,431,999)	(5,595,529)	170,797	1,553,131	131,730	(5,171,870)
OTHER SOURCES AND USES						
Bond anticipation notes redeemed from appropriations	131,730	-	-	-	(131,730)	-
BAN premium	2,557	-	-	-	-	2,557
Interfund Transfers In	71,843	-	-	-	(71,843)	-
Interfund Transfers Out	(71,843)	-	-	-	71,843	-
Total other sources and uses	134,287	-	-	-	(131,730)	2,557
Net change for the Year	\$ (1,297,712)	\$ (5,595,529)	\$ 170,797	\$ 1,553,131	\$ -	\$ (5,169,313)

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

The Moriah Central School District (District) is governed by the Education Law and other general laws of the State of New York. The governing body is the Board of Education of Moriah Central School (Board). The Board is the basic level of government, which has oversight responsibilities and control over all activities related to the public school education in the region of Moriah Central School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

B. Joint Venture - The Moriah Central School District is one of 16 component school districts in the Clinton/Essex/Warren/Washington 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.

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

A BOCES budget is comprised of separate budgets for administrative, program, and capital cost. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

During the year ended June 30, 2021 the District was billed \$2,074,803 for BOCES administrative and program costs and received \$1,029,101 representing the District's share of BOCES aid. BOCES also refunded the District \$45,985 for excess expenses billed in prior years. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2021, the Moriah Central School District did not issue any serial bonds on behalf of BOCES.

C. Basis of presentation

1. 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.

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 good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Functional Statements

The fund statements provide information about the District's funds, including fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Non-major funds are aggregated and presented in a single column. The District elects to report all governmental funds as major funds.

The District reports the following major governmental funds:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources, except those accounted for in another fund.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

Special Revenue Funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

- School Food Service Fund - used to account for transactions for the lunch and breakfast programs.
- Special Aid Fund - used to account for special operating projects or programs supported in whole, or in part, with federal funds or state grants.

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

Debt Service Fund - the debt service fund is to account for the accumulation of resources and the payment of general long-term debt principal and interest.

Scholarship Fund - the scholarship fund is to account for the accumulation of resources and the payment of scholarships to students.

Extraclassroom Activities Fund - the extraclassroom activities fund is to account for the accumulation of resources of student clubs of the District.

D. Measurement Focus and Basis of Accounting

The District-wide financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied and collected. 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days (60 days for property taxes) after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

- a. prepaids and inventory-type items are recognized at the time of purchase.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

- b. principal and interest on indebtedness are not recognized as an expenditure until due.
- c. compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.
- d. Pension costs are recognized as expenditures when billed by the state.
- e. The District recognizes the cost of providing post-retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as expenditures in the year paid.

E. Inventories

Inventories of food and supplies in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of supplies in other funds are recorded as expenditures at the time of purchase, and year-end inventory balances are not maintained.

F. Capital assets

Acquisitions of equipment and capital facilities are reported at actual cost for acquisitions. 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 general fixed assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$500	Straight Line	20-50 years
Furniture and Equipment	\$500	Straight Line	5-20 years

G. Unearned revenue

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

H. Retirement plan

The District provides retirement benefits for all of its regular full-time and some of its part

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

time employees through contributions to the New York State Teachers' Retirement System and the New York State Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.

I. General long-term debt

Bonds, capital notes and bond anticipation notes issued for capital projects are recognized when issued.

J. Property taxes

Real property taxes are levied annually by the Board of Education. The County of Essex subsequently enforces uncollected real property taxes. Essex County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the forthcoming April 1st.

K. Post-employment Benefits

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The cost of providing post-retirement benefits is paid by the District or is shared between the District and the retired employee, depending on length of service and/or classification of employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents as an expenditure or operating transfer to other funds in the General Fund in the year paid.

L. Budgetary Procedures and Budgetary Accounting

a. General

The District's policy relating to budgetary information as shown in the accompanying financial statements is as follows:

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education. The budget is then approved by the voters within the District.

Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred.

The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types.

Budget appropriations lapse at year-end.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

b. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

M. Use of 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, potential contingent liabilities and useful lives of long-lived assets.

N. Equity Classifications:

District- wide statements:

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

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

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

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

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.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

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 the inventory recorded in the School Food Service Fund of \$14,387.

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:

Employee Benefits Accrued Liability

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

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. 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.

Property Loss Reserve

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

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to 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

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

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

According to General Municipal Law §6-1, the Mandatory Reserve for Debt must be established for the purpose of retiring the outstanding obligations upon 1) the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale or 2) receiving excess state aid for a capital improvement financed by obligations outstanding at the time the aid is received. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement or excess state aid received for a capital improvement that is not applied directly to the cost of the improvement or to retire the related indebtedness.

Restricted - other

Represents amounts restricted for scholarships and extraclassroom activities.

Committed – Includes amounts that can only be used for 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. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$0.

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 School District.

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

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable 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 fund balance. In the general fund, committed fund balance is determined next and then assigned.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

O. Events Occurring After Reporting Date

The District has evaluated events and transactions that occurred between June 30, 2021 and September 27, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statement.

P. Short-term debt

The District may issue Revenue Anticipation Notes (RAN) 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 represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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.

- Q. 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. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item is the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide State of New Position. This amount represents contributions subsequent to the measurement date, differences between expected and actual experience and changes in assumptions or other inputs.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

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

R. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2021, including GASB Statement No. 84, *Fiduciary Activities*.

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 differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources 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.

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

Long-term assets are reported in the Statements of Net Position, but not in the governmental funds, because they are not available in the current period.

Long-term liabilities are reported in the Statements of Net position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Explanation of Differences Between Governmental Fund Balances and District Wide Net Assets

Ending fund balance reported on Balance Sheet - Governmental Funds (Exhibit 3)	\$ 2,606,918
Capital assets net of related depreciation	23,342,524
Deferred outflows:	
Pensions - TRS	3,065,752
Pensions - ERS	996,740
Other post employment benefits	23,093,425
Accrued interest	(82,506)
Liabilities, long term:	
Bonds payable and other long term debt	(7,365,000)
Due to employee retirement system	(26,227)
Other post employment benefits	(74,581,463)
Compensated absences	(133,927)
Net pension liability	(899,256)
Bond premium, net of amortization	(96,922)
Deferred inflows:	
Pensions - TRS	(497,162)
Pensions - ERS	(1,328,771)
Other post employment benefits	(3,196,290)
Ending net position reported on Statement of Net Position (Exhibit 1)	<u>\$ (35,102,165)</u>

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:

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

1. 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.

2. 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.

3. Long-Term Debt Transaction Differences

Long-term debt transactions 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.

4. Other Post-Employment Benefits

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 75 requires an actuarial calculation of the future liability and to record the OPEB Obligation in the Statement of Net Position.

5. 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.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

Explanation of Differences Between Governmental Funds Operating Statement
and the Statement of Activities

Total Revenues and other Funding Sources

Total revenues and other funding sources of governmental funds (Schedule 4)	\$ 17,974,307
Loss on disposal of assets	(27,611)
Total revenues of governmental activities on Statement of Activities (Schedule 6)	<u>\$ 17,946,696</u>

Total Expenditures/Expenses

Total expenditures reported in governmental funds (Schedule 4)	\$ 19,406,306
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In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences used exceeded the amount earned during the year.

(1,942)

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures exceeded depreciation expense in the current year.

(198,408)

In the Statement of Activities, accrued interest expense is measured by the amount accrued at the end of the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Accrued interest was less than the amount accrued in the prior year.

(12,836)

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the Annual OPEB Cost exceeded the premiums paid.

5,048,586

Amortization of bond premium

(16,154)

The following items are reported as expenditures governmental funds, but reduce long-term liabilities in the Statement of Net Assets, and does not effect the Statement of Activities:

Repayment of bonds (Note 7)

(1,532,511)

Repayment of NYS ERS obligation (Note 7)

(8,131)

Repayment of installment obligation

(12,489)

Principal payments on bond anticipation notes paid by general fund

(131,730)

(Increases) decreases in proportionate share of net pensions 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 governmental funds.

Teachers' Retirement System

663,981

Employees' Retirement System

(86,106)

Total expenses reported on the Statement of Activities (Schedule 6)

\$ 23,118,566

Other Sources and Uses:

Total other sources and uses in governmental funds (Schedule 4)

\$ 134,287

Repayment of bond anticipation notes is an expenditure in the General fund and other sources of income in the Capital Project's Fund. A reclassifying entry reduces both expenditures and other sources of income in the Statement of Activities.

(131,730)

Total other sources and uses in the Statement of Activities (Schedule 6)

\$ 2,557

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 3. Cash and Investments

According to the New York State Education Law, the Board may invest the District's money in special time-deposit accounts or certificates of deposit; however, such time-deposit accounts or certificates of deposit must be made in the name of the district and payable in time for the proceeds to be available to meet expenditures for which the money was obtained. Furthermore, the time-deposit account or certificates of deposit must be secured "by a pledge of obligations of the United States of America or obligations of the State of New York or obligations of any municipal corporation, district or district corporation of the State of New York".

Investments also may be made in obligations of the United States of America or in obligations of New York State or, with the approval of the state comptroller, in certain obligations of municipalities, school districts or district corporations other than the one investing the money.

The district may make a variety of short-term investments that include the purchase of United States Treasury bills, United States Treasury certificates of indebtedness or United States Treasury notes and bonds. In addition, it may invest in negotiable certificates of deposit.

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by financial institutions in the District's name. At June 30, 2021, the District's bank balances totaled \$3,029,271 of which, \$500,000 was covered by Federal depository insurance and \$2,529,271 was covered by collateral held by the pledging banks in the District's name.

Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2021 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Transfer In	Transfer Out
General	\$ 658,423	\$ 143,227	\$ -	\$ 71,843
Capital	-	57,920	-	-
Special Aid	-	329,600	-	-
School Food Service	16,153	146,386	71,843	-
Debt Service	2,557	-	-	-
Total	<u>\$ 677,133</u>	<u>\$ 677,133</u>	<u>\$ 71,843</u>	<u>\$ 71,843</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

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

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

The District transferred funds from the General Fund to the School Food Service Fund to supplement its operations.

The District typically transfers money from the General Fund to the Special Aid Fund for its share of special aid programs.

MORIAH CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 5. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets that are not Depreciated:				
Land	\$ 66,103	\$ -	\$ -	\$ 66,103
Construction in process	180,238	824,674	-	1,004,912
Capital Assets that are Depreciated:	246,341	824,674	-	1,071,015
Buildings	33,038,463	-	-	33,038,463
Furniture and Equipment	3,077,959	264,422	204,131	3,138,250
Total Depreciable Historical Cost	36,116,422	264,422	204,131	36,176,713
Less Accumulated Depreciation:				
Buildings	11,318,767	600,158	-	11,918,925
Furniture and Equipment	1,872,269	290,530	176,520	1,986,279
Total Accumulated Depreciation	13,191,036	890,688	176,520	13,905,204
Total Depreciable Historical Cost, Net	22,925,386	198,408	27,611	22,271,509
Total Capital Assets	\$ 23,171,727	\$ 198,408	\$ 27,611	\$ 23,342,524

Depreciation was charged to governmental functions as follows:

	6/30/2021
General support	\$ 84,356
Instruction	684,514
Pupil Transportation	121,818
	<u>\$ 890,688</u>

Note 6. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

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

District employees are granted vacation in varying amounts, based primarily on length of service and service position.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 6. Compensated Absences (continued)

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

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

Note 7. Indebtedness

Short-Term Debt: The following is a summary of short-term debt:

	Maturity	Rate	6/30/2020	Additions	Deletions	6/30/2021
Bond Anticipation Note	10/23/2020	1.57%	\$ 438,938	\$ -	\$ 438,938	\$ -
Bond Anticipation Note	10/22/2021	0.62%	-	548,742	-	548,742
Bond Anticipation Note	7/15/2021	1.00%	-	965,000	-	965,000
Total			\$ 438,938	\$ 1,513,742	\$ 438,938	\$ 1,513,742

Interest expense paid on short-term debt for the year ended June 30, 2021 is \$6,872.

Long-Term Debt:

1. Long-Term Debt Interest

Interest Expense paid is \$283,640 for the year ended June 30, 2021.

2. Changes

The changes in the District's indebtedness during the year ended June 30, 2021 are summarized as follows:

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Serial Bonds	\$ 7,037,511	\$ -	\$ 1,092,511	\$ 5,945,000
Bond Premium, net of amort	113,076	-	16,154	96,922
Construction Bond	1,860,000	-	440,000	1,420,000
Due to ERS	34,358	-	8,131	26,227
Installment Obligation	12,489	-	12,489	-
Other post employment benefits	52,254,742	22,326,721	-	74,581,463
Compensated Absences	135,869	-	1,942	133,927
Total	\$ 61,448,045	\$ 22,326,721	\$ 1,571,227	\$ 82,203,539

MORIAH CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 7. Indebtedness (continued)

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

3. Existing bond obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2021
Serial Bond	7/15/2005	7/15/2022	4.0%	\$ 370,000
Serial Bond	12/15/2011	7/15/2022	5.0%	725,000
Construction bond	5/31/2012	9/15/2023	3.75%-4.0%	1,420,000
Serial Bond	6/10/2014	6/15/2027	5.0%	1,010,000
Serial Bond	5/26/2020	6/15/2035	2.25-2.375%	1,455,000
Serial Bond	11/9/2017	6/30/2025	3.0%-5.0%	2,385,000
Bond Premium, net of amort				96,922
		Total Long-Term Debt		7,461,922
		Less Current Portion		(1,600,000)
		Long-Term Portion		<u>\$ 5,861,922</u>

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,600,000	\$ 226,900	\$ 1,693,475
2023	1,660,000	175,537	1,708,850
2024	1,540,000	125,850	1,719,400
2025	1,090,000	74,950	1,164,950
2026	275,000	43,675	318,675
2027-2031	715,000	101,738	816,738
2022-2036	485,000	28,769	513,769
	<u>\$ 7,365,000</u>	<u>\$ 777,419</u>	<u>\$ 7,935,857</u>

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

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 7. Indebtedness (continued)

4. The District opted to participate in the NYS Contribution Stabilization Program by financing \$77,448 of its 2013/2014 Local Retirement System contribution. Payments of \$9,391 will be made annually for 10 years with interest calculated to be 3.667%. The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 8,429	\$ 961	\$ 9,390
2023	8,739	653	9,391
2024	9,059	332	9,391
	<u>\$ 26,227</u>	<u>\$ 1,946</u>	<u>\$ 28,172</u>

Note 8. Pensions

Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems.)

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

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

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 8. Pensions (continued)

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. The District also participated in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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 percent 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 ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

CONTRIBUTIONS

	ERS	TRS
2021	\$ 212,076	\$ 510,797
2020	\$ 200,907	\$ 599,761
2019	\$ 198,303	\$ 548,281

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

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 8. Pensions (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred 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 System 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
Measurement Date	3/31/2021	6/30/2020
Net Pension asset/(liability)	\$ (4,541)	\$ (894,715)
District's portion of the Plan's total net pension asset/(liability)	-0.0045608%	0.032379%
Change in proportion since the prior measurement date	\$ 1,180,222	\$ (1,736,508)

For the year ended June 30, 2021, the District's recognized pension expense of \$123,777 for ERS and \$1,200,645 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 55,462	\$ 783,949	\$ -	\$ 45,852
Changes of assumptions	835,011	1,131,606	15,749	403,358
Net difference between projected and actual earnings on pension plan investments	-	584,327	1,304,549	-
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	47,071	29,485	8,473	47,952
District's contributions subsequent to the measurement date	59,196	536,385	-	-
Total	\$ 996,740	\$ 3,065,752	\$ 1,328,771	\$ 497,162

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 8. Pensions (continued)

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, 2022. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

	ERS	TRS
Year ended:		
2021	\$ -	\$ 344,585
2022	(62,305)	699,630
2023	(16,838)	570,186
2024	(65,752)	356,770
2025	(246,332)	19,015
Thereafter	-	42,019
Total	<u>\$ (391,227)</u>	<u>\$ 2,032,205</u>

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 to total pension liability to the measurement date. The actuarial valuation 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
Interest rate	5.9%	7.10%
Salary scale	4.4%	1.90%-4.72%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30, 2014 System Experience
Inflation rate	2.7%	2.20%

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

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 8. Pensions (continued)

For ERS, the Actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 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 build block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2021	6/30/2020
Asset Type:	%	%
Domestic equity	4.05	7.10
International equity	6.30	7.70
Private equity	6.75	10.40
Real estate	4.95	6.80
Domestic fixed income securities	-	1.80
Opportunistic/ARS portfolio	4.50	-
Credit	3.63	-
Real assets	5.95	-
Cash	0.50	0.70
Private debt	-	5.20
Global equities	-	7.40
Global bonds	-	1.00
High-yield bonds	-	3.90
Real estate debt	-	3.60

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. 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.

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 8. Pensions (continued)

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 7.10% 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% lower (4.90% for ERS and 6.10% for TRS) or 1% higher (6.90% for ERS and 8.10% for TRS) than the current rate:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's proportionate share of the net pension asset (liability)	\$ (1,260,509)	\$ (4,541)	\$ 1,153,754
TRS	1% Decrease 6.10%	Current Decrease 7.10%	1% Assumption 8.10%
Employer's proportionate share of the net pension asset (liability)	\$ (5,651,605)	\$ (894,715)	\$ 3,097,521

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:

	ERS	TRS	Total
Valuation date	3/31/2021	6/30/2020	
Employers' total pension asset/(liability)	\$ (220,680,157)	\$ (123,242,776,215)	\$ (123,463,456,372)
Plan Net Position	220,580,583	120,479,505,380	120,700,085,963
Employers' net pension asset/(liability)	\$ (99,574)	\$ (2,763,270,835)	\$ (2,763,370,409)
Ratio of plan net position to the Employers' total pension asset / (liability)	-99.95%	-97.76%	-97.76%

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 employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$59,196.

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 for the fiscal year ended June 30, 2021 are based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$563,777.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 9. Post-Employment (Health Insurance) Benefits

The District provides post-employment (health insurance, etc) 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. Post-employment benefits aggregating \$1,728,829 for 136 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	100
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>133</u>
	<u><u>233</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$74,581,463 was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2020.

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

MORIAH CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 9. Post-Employment (Health Insurance) Benefits (continued)

Inflation	2.5 percent
Salary Increases	3.5 percent
Discount Rate	2.21 percent
Healthcare Cost Trend Rates	7.25 percent for 2021, decreasing to a rate of 4.04 percent for 2081 and later years

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

Mortality rates were based on the RP-2014 Mortality Table, as appropriate, with generational mortality adjusted to 2006 using scale MP-2020.

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	<u>\$ 52,254,742</u>
<u>Changes for the Year-</u>	
Service Cost	1,570,169
Interest	1,857,410
Changes of benefit terms	(47,108)
Differences between expected and actual experience	3,529,407
Changes in assumptions or other inputs	16,928,938
Benefit payments	<u>(1,512,095)</u>
Net Changes	<u>22,326,721</u>
Balance at June 30, 2021	<u><u>\$ 74,581,463</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% in 2020 to 2.21% in 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21 percent) or 1 percentage point higher (3.21 percent) than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	<u>\$ 88,926,115</u>	<u>\$ 74,581,463</u>	<u>\$ 63,179,086</u>

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 9. Post-Employment (Health Insurance) Benefits (continued)

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 or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 61,626,595	\$ 74,581,463	\$ 91,623,147

D. 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 \$6,746,129. 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	\$ 6,327,821	\$ -
Changes of assumptions or other inputs	15,068,061	3,196,290
Contributions subsequent to the measurement period	1,697,543	-
Total	\$ 23,093,425	\$ 3,196,290

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	\$ 3,365,658
2023	3,365,658
2024	4,117,031
2025	3,709,220
2026	3,406,098
2027 and Thereafter	235,927
	\$ 18,199,592

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10. Stewardship, Compliance and Accountability

At June 30, 2021 the Capital Projects fund had a negative fund balance of \$1,571,662. The District anticipates replenishing the negative fund balance through General Fund appropriations, State Aid or bond financing.

From time to time the School District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. At June 30, 2021, the District is unaware of any outstanding petitions.

The District has received Federal and State Aid/Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District believes disallowances, not previously provided for, if any, will be immaterial.

Note 11. Commitments and Contingencies

Operating Leases - The District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2021 were approximately \$16,408.

Risk Financing and Related Insurance - The Moriah Central School District is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees and students. These risks, and settled claims, 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.

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risk reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2021 was \$1,908,460, which represents 10.72% of next year's budget. The excess amounted to \$1,196,402.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 12. Tax Abatements

The County of Essex entered into a property tax abatement program for the purpose of economic development. The School District property tax revenue was reduced \$11,373. The district received Payment in Lieu of Tax (PILOT) totaling \$0.

Note 13. Change in Accounting Principle

The District implemented GASB Statement No. 84, *Fiduciary Activities* during the year ended June 30, 2021. As such, certain amounts historically reported in the Fiduciary Fund were moved to the Governmental Funds as follows:

Scholarship Fund	\$ 625,171
Extraclassroom Activities Fund	<u>94,798</u>
Total prior period adjustment	719,969
 Governmental Fund Balance, as previously reported	 <u>3,184,661</u>
 Governmental Fund Balance, restated	 <u><u>\$ 3,904,630</u></u>

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT
Year Ended June 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget		\$ 17,284,701
Additions:		
Prior year's encumbrances	<u>-</u>	
Total additions		<u>-</u>
Final budget		<u><u>\$ 17,284,701</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 expenditure budget	\$ 17,801,460
Maximum allowed (4% of 2021-22 budget)	

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

Unrestricted fund balance:		
Committed fund balance	\$ -	
Assigned fund balance	573,212	
Unassigned fund balance	<u>1,908,460</u>	
Total unrestricted fund balance	<u>2,481,672</u>	
Less:		
Appropriated fund balance	573,212	
Encumbrances included in assigned fund balance	<u>-</u>	
Total adjustments	<u>573,212</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		<u><u>\$ 1,908,460</u></u>
Actual percentage		<u><u>10.72%</u></u>

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2021

	Adopted Budget	Final Budget	Actual (Budgetary Basis) Revenues	Final Budget Variance with Budgetary Actual
Revenues:				
Local sources:				
Real property tax items	\$ 3,187,041	\$ 3,187,041	\$ 3,232,730	\$ 45,689
Other tax items	827,000	827,000	772,562	(54,438)
Charges for services	138,025	138,025	141,661	3,636
Use of money and property	32,500	32,500	8,051	(24,449)
Sale of property and compensation for loss	-	-	275	275
Miscellaneous	92,000	92,000	145,132	53,132
State sources	12,366,285	12,366,285	12,131,733	(234,552)
Federal sources	12,000	12,000	276,842	264,842
Total Revenues	16,654,851	16,654,851	16,708,986	54,135
Other Financing Sources				
Interfund Transfers	-	-	-	-
Appropriated Reserves	-	-	-	-
	-	-	-	-
Total Revenues and Appropriated Fund Balance	16,654,851	16,654,851	16,708,986	54,135

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General support:					
Board of education	18,230	18,159	11,713	-	6,446
Central administration	183,120	205,640	193,981	-	11,659
Finance	167,532	165,258	161,325	-	3,933
Staff	107,527	77,870	67,394	-	10,476
Central services	759,189	761,201	709,906	-	51,295
Special items	384,651	382,696	380,519	-	2,177
Instructional:					
Instruction, administration and improvement	428,526	444,624	390,668	-	53,956
Teaching - regular school	3,650,188	3,735,678	3,609,698	-	125,980
Programs for children with handicapping conditions	2,902,091	2,801,369	2,766,132	-	35,237
Instructional media	278,294	295,341	288,530	-	6,811
Pupil service	499,191	475,230	423,281	-	51,949
Pupil transportation	602,487	558,124	541,013	-	17,111
Employee benefits	5,321,196	5,286,844	5,249,963	-	36,881
Debt service	1,954,979	1,954,979	1,954,753	-	226
Total Expenditures	17,257,201	17,163,013	16,748,876	-	414,137
Other financing uses:					
Interfund transfer	27,500	121,688	71,843	-	49,845
Total Expenditures and Other Uses	17,284,701	17,284,701	16,820,719	\$ -	\$ 463,982
Net change in fund balance	(629,850)	(629,850)	(111,733)		
Fund balance - beginning	3,803,845	3,803,845	3,803,845		
Fund balance - ending	\$ 3,173,995	\$ 3,173,995	\$ 3,692,112		

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
Year Ended June 30, 2021

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance 6/30/2021
								State Aid	Local Sources	Total	
Buses 6/30/17	\$ 82,706	\$ 82,706	\$ 82,706	\$ -	\$ 82,706	\$ -	\$ -	\$ -	\$ 66,165	\$ 66,165	\$ (16,541)
Buses 6/30/18	181,398	181,398	181,398	-	181,398	-	-	-	108,839	108,839	(72,559)
Buses 6/30/19	24,847	24,847	24,847	-	24,847	-	-	-	9,939	9,939	(14,908)
Buses 6/30/20	254,000	254,000	254,000	-	254,000	-	-	-	50,800	50,800	(203,200)
Buses 6/30/21	241,534	241,534	-	241,534	241,534	-	-	-	-	-	(241,534)
Total Buses	784,485	784,485	542,951	241,534	784,485	-	-	-	235,743	235,743	(548,742)
Smart Schools	590,419	590,419	525,236	17,999	543,235	-	-	525,227	-	525,227	(18,008)
\$14.9 Million Project	14,900,000	14,900,000	180,238	824,674	1,004,912	-	-	-	-	-	(1,004,912)
Totals	<u>\$ 17,059,389</u>	<u>\$ 17,059,389</u>	<u>\$ 1,791,376</u>	<u>\$ 1,325,741</u>	<u>\$ 3,117,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,227</u>	<u>\$ 471,486</u>	<u>\$ 996,713</u>	<u>\$ (1,571,662)</u>

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS

Year Ended June 30, 2021

Capital Assets, Net	\$ 23,342,524
Deduct:	
Bond anticipation notes	1,513,742
Premium on bonds payable	96,922
Short-term portion of bonds payable and other long-term debt	1,600,000
Long-term portion of bonds payable and other long-term debt	5,765,000
Less: bonds payable used for BOCES project	(1,455,000)
Net investment in capital assets	<u>\$ 15,821,860</u>

MORIAH CENTRAL SCHOOL DISTRICT

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

	2021	2020	2019	2018
Measurement Date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	\$ 1,570,169	\$ 1,561,628	\$ 1,290,270	\$ 1,642,238
Interest	1,857,410	1,922,516	1,562,923	1,363,477
Changes in benefit terms	(47,108)	-	-	-
Differences between expected and actual experience	3,529,407	-	6,588,596	-
Changes of assumption or other inputs	16,928,938	1,374,265	(2,133,278)	(5,906,369)
Benefit payments	<u>(1,512,095)</u>	<u>(1,438,878)</u>	<u>(1,195,103)</u>	<u>(1,153,207)</u>
Net change in total OPEB liability	22,326,721	3,419,531	6,113,408	(4,053,861)
Total OPEB liability - beginning	<u>52,254,742</u>	<u>48,835,211</u>	<u>42,721,803</u>	<u>46,775,664</u>
Total OPEB liability - Ending	<u>\$ 74,581,463</u>	<u>\$ 52,254,742</u>	<u>\$ 48,835,211</u>	<u>\$ 42,721,803</u>
Covered payroll	<u>\$ 6,966,909</u>	<u>\$ 6,864,535</u>	<u>\$ 6,737,939</u>	<u>\$ 6,622,000</u>
Total OPEB liability as a percentage of covered payroll	1071%	761%	725%	645%

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

Changes of assumptions and other inputs reflect the change in the discount rate from 3.5% to 2.21% at the current measurement date.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2021

	NYSERS Pension Plan Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.0045608%	0.0044741%	0.0046922%	0.0042951%	0.0043273%	0.0042082%	0.0041781%			
District's proportionate share of the net pension liability (asset)	\$ 4,541	\$ 1,184,763	\$ 332,457	\$ 138,621	\$ 406,605	\$ 675,425	\$ 141,147			
District's covered- employee payroll	\$ 1,422,189	\$ 1,419,036	\$ 1,402,855	\$ 1,345,826	\$ 1,327,999	\$ 1,218,958	\$ 1,282,890			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.32%	83.49%	23.70%	10.30%	30.62%	55.41%	11.00%			
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%			

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Year Ended June 30, 2021

**NYSERS Pension Plan
Last 10 Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 202,684	\$ 191,501	\$ 188,897	\$ 191,736	\$ 179,528	\$ 195,283	\$ 230,362	\$ 241,867	\$ 218,543	\$ 203,322
Contributions in relation to the contractually required contribution	\$ 202,684	\$ 191,501	\$ 188,897	\$ 191,736	\$ 179,528	\$ 195,283	\$ 230,362	\$ 241,867	\$ 218,543	\$ 203,322
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 1,422,189	\$ 1,419,036	\$ 1,402,855	\$ 1,345,826	\$ 1,345,826	\$ 1,218,958	\$ 1,282,890			
Contributions as a percentage of covered-employee payroll	14.3%	13.5%	13.5%	14.2%	13.3%	16.0%	18.0%			

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2021

	NYSTRS Pension Plan Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.032379%	-0.032402%	-0.032759%	-0.032361%	0.031341%	-0.031679%	-0.031898%	-0.031771%		
District's proportionate share of the net pension liability (asset)	\$ 894,715	\$ (841,793)	\$ (592,366)	\$ (245,979)	\$ 335,677	\$ (3,290,446)	\$ (3,553,228)	\$ (209,135)		
District's covered- employee payroll	\$ 5,497,146	\$ 5,547,873	\$ 5,461,680	\$ 5,392,113	\$ 5,177,366	\$ 4,758,626	\$ 4,707,856			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.28%	-15.17%	-10.85%	-4.56%	6.48%	-69.15%	-75.47%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	-102.17%	-101.53%	-100.66%	99.01%	-110.46%	-111.50%			

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2021

NYSTRS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 486,920	\$ 574,365	\$ 522,932	\$ 601,027	\$ 641,288	\$ 834,187	\$ 765,671	\$ 551,010	-	-
Contributions in relation to the contractually required contribution	\$ 486,920	\$ 574,365	\$ 522,932	\$ 601,027	\$ 641,288	\$ 834,187	\$ 765,671	\$ 551,010	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 5,497,146	\$ 5,547,873	\$ 5,461,680	\$ 5,392,113	\$ 5,177,366	\$ 4,758,626	\$ 4,707,856			
Contributions as a percentage of covered-employee payroll	8.86%	10.35%	9.57%	11.15%	12.39%	17.53%	16.26%			

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education			
Pass-Through New York State Department of Education:			
Special Education Cluster:			
IDEA Part B Sec 619	84.173A	0033-21-0250	\$ 7,738
IDEA Part B Sec 611	84.027A	0032-21-0250	199,272
Total Special Education Cluster			<u>207,010</u>
Title I PT A Improv Acad Achmt	84.010A	0021-21-0880	234,820
Title IIA, Teach/Prin Trng/Recruitmt	84.367A	0147-21-0880	33,158
Title IV, SSAE Allocation	84.424A	0204-21-0880	18,222
Title V, Rural & Low income Schools	84.358B	0006-21-0880	12,849
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF	84.425D	5890-21-0880	219,815
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER	84.425C	5895-21-0880	37,225
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF II	84.425D	5891-21-0880	220,068
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			<u>477,108</u>
Total Department of Education			<u>983,167</u>
U.S. Department of Agriculture			
Pass-Through New York State Department of Education			
National School Lunch Program - Commodities	10.555	N/A	21,873
COVID-19 Summer Food Service Program	10.559	N/A	338,999
Total Child Nutrition Cluster			<u>360,872</u>
Total Department of Agriculture			<u>360,872</u>
Total Federal Assistance Expended			<u>\$ 1,344,039</u>

See Notes to Schedule of Expenditures of Federal Awards.

MORIAH CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Note 1. Summary of Certain Significant Accounting Policies

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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
Moriah Central School District
Port Henry, 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, the business-type activities, each major fund and the aggregate remaining fund information of Moriah Central School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Moriah Central School District's basic financial statements and have issued our report thereon dated September 27, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control exists 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material

weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies. The findings are referenced as 2021-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moriah 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 instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

District's Response to Findings

Moriah Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Moriah Central School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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.

Boulrice & Wood CPAs, PC

September 27, 2021

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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

To the Board of Education
Moriah Central School District
Port Henry, New York

Report on Compliance for Each Major Federal Program

We have audited Moriah Central School District's compliance with the types of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on Moriah Central School District's major federal programs for the year ended June 30, 2021. Moriah Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Moriah Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Moriah Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Moriah Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Moriah Central School District's internal control over compliance.

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

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

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

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
September 27, 2021

**MORIAH CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021**

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
· Material weakness(es) identified?	_____ yes	<u> X </u> no
· Significant deficiencies that are not considered to be material weaknesses?	<u> X </u> yes	_____ none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
· Material weakness(es) identified?	_____ yes	<u> X </u> no
· Significant deficiencies identified not considered to be a material weakness?	_____ yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)	_____ yes	<u> X </u> no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF
84.425C	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER
84.425D	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF II

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk Auditee?	<u> X </u> yes _____ no

**MORIAH CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
JUNE 30, 2021**

SECTION II - FINANCIAL STATEMENT FINDINGS

2021-001 Excess Fund Balance

Condition: The District's unassigned general fund balance was 10.72% of next year's budget.

Effect: The District's unassigned general fund balance was 6.72% or \$1,196,402 over the amount allowable by law.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

Recommendation: We recommend the District keep in mind this law when preparing next year's budget.

Corrective Action: Management has discussed the issue with the Board of Education and is formulating a long-term multi-year operational plan that addresses the use of excess unassigned general fund balance in a manner that benefits District residents.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current period findings.

**MORIAH CENTRAL SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2021**

There were no prior year audit findings.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board
Moriah Central School District
Port Henry, New York

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Moriah Central School District as of and for the year June 30, 2021, and the related notes 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 and minimum program procedures established by the New York State Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Moriah Central School District as of June 30, 2021, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the 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.

Boulrice & Wood CPAs, PC

September 27, 2021

**MORIAH CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
June 30, 2021 and 2020**

	<u>6/30/2021</u>	<u>6/30/2020</u>
Assets		
Cash	<u>\$ 75,415</u>	<u>\$ 94,798</u>
Total Assets	<u><u>\$ 75,415</u></u>	<u><u>\$ 94,798</u></u>
 Fund Balance		
Extraclassroom Activity	<u>\$ 75,415</u>	<u>\$ 94,798</u>
Total Fund Balance	<u><u>\$ 75,415</u></u>	<u><u>\$ 94,798</u></u>

**MORIAH CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES - CASH BASIS
Year Ended June 30, 2021**

Activity	Balance June 30, 2020	Receipts	Disbursements	Balance June 30, 2021
Class of 2020	\$ 2,146	\$ -	\$ 1,194	\$ 952
Class of 2021	27,374	-	26,066	1,308
Class of 2022	7,970	2,772	1,109	9,633
Class of 2023	9,482	1,788	143	11,127
Class of 2024	4,554	2,154	-	6,708
Class of 2025	1,895	1,523	-	3,418
Class of 2026	-	1,752	160	1,592
Drama	6,736	-	-	6,736
Foreign Language Club	3,990	-	-	3,990
Student Council	554	1,350	1,366	538
Yearbook	3,302	797	68	4,031
Girls Athletic Association	3,594	934	380	4,148
Boys Athletic Association	841	4,539	4,018	1,362
Cheerleaders	1,622	795	1,474	943
National Honor Society	16,704	-	1,188	15,516
Junior High NHS	698	-	30	668
Elementary NHS	90	305	275	120
Next Step Program	1,014	1,581	1,954	641
Miscellaneous Fees Account	480	78	-	558
Music Association	1,543	-	326	1,217
M.C. Yorkers	209	-	-	209
	<u>\$ 94,798</u>	<u>\$ 20,368</u>	<u>\$ 39,751</u>	<u>\$ 75,415</u>

MORIAH CENTRAL SCHOOL DISTRICT

**EXTRACLASROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Accounting: The books and records of the Moriah Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Moriah Central School 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. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.

FORM OF BOND COUNSEL’S OPINION

July 13, 2022

Moriah Central School District
39 Viking Lane
Port Henry, New York 12974

Re: Moriah Central School District, Essex County, New York
\$14,750,000 Bond Anticipation Notes, 2022 CUSIP No.:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$14,750,000 Bond Anticipation Notes, 2022 (the “Notes”) of Moriah Central School District, County of Essex, State of New York (the “District”). The Notes are dated July 13, 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, resolutions of the District and a Certificate of Determination dated on or before July 13, 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 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