PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 27, 2023

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law ((i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein.)

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

$8,000,000

SCHOHARIE CENTRAL SCHOOL DISTRICT

SCHOHARIE COUNTY, NEW YORK

GENERAL OBLIGATIONS

$8,000,000 Bond Anticipation Notes, 2023

(the "Notes")

Dated: February 23, 2023 **Due: August 4, 2023**

The Notes are general obligations of the Schoharie Central School District, Schoharie County, New York. All the taxable real property within such School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. The faith and credit of the Schoharie Central School District are irrevocably pledged for the payment of the Notes and the interest thereon. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes in book-entry-only form or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the offices of the School District. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

Alternatively, if the Notes are issued in book-entry-only form, Noteholders will not receive certificates representing their ownership interest in the Notes and 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 in bearer form or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon with the purchaser(s) on or about February 23, 2023.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on February 9, 2023 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

January ___, 2023

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

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHOHARIE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

TERRY BURTON
President

DANIEL GUASP
Vice President

TARA BARTON
JOHN FLORUSSEN
LARAINE GELL
LANCE HELLSTROM
LYNDA LEWANDOWSKY

* * * * * * *

DAVID M. BLANCHARD
Superintendent of Schools

DAVID J. BAROODY
Business Administrator

BARBARA MALAND
Administrative Assistant to the Superintendent

DONNA NUNAMANN
District Treasurer

GUERCIO & GUERCIO, LLP
School District Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

BARCLAY DAMON, LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHOHARIE COUNTY, NEW YORK

Relating To

$8,000,000 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page and appendices, has been prepared by the Schoharie Central School District, Schoharie County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $8,000,000 principal amount of Bond Anticipation Notes, 2023 (the "Notes").

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

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

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 Notes 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 Notes.

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.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.

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

The Notes will be dated February 23, 2023 and mature, without option of prior redemption, on August 4, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

If the Notes are issued registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at the office of the School District. In such case, the Notes will be registered in the name of the purchaser(s) and a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

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 among other things, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on June 16, 2022 authorizing the issuance of $25,900,000 serial general obligation bonds to finance the cost of reconstruction and improvements of various School District buildings.

The proceeds of the Notes will provide $8,000,000 new monies for the aforementioned 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 Schoharie Central School District, centralized in 1930, is located in the Towns of Schoharie, Esperance, Wright, Middleburgh and Carlisle in Schoharie County, in the Town of Charleston in Montgomery County, the Town of Duanesburg in Schenectady County, and the Town of Knox in Albany County. The District covers approximately 77 square miles. All of the District's facilities are located on a 75-acre campus in the Village and Town of Schoharie.

The District is served by a network of State highways providing access to I-88 approximately four miles to the north. Air transportation is available at the Albany International Airport. Bus service is available in the Cities of Albany and Schenectady, and rail service is available in Amsterdam, Schenectady, and Rensselaer.

The District is a mixture of residential and agricultural areas, with many of its residents commuting to the Schenectady and Albany area for employment. Other residents are employed in agriculture, with vegetable and dairy farms prevalent. The State University of New York at Cobleskill also provides employment. Other employers are: County of Schoharie, Schoharie County ARC and Bassett Regional Hospital.

Water and sewer services are provided by the Village of Schoharie, as are fire and police protection. Electricity is provided by National Grid and telephone service by the Middleburgh Telephone Company and Verizon. Additional police protection is provided by the Schoharie County Sheriff's Department and the New York State Police.

The District provides public education for grades K-12. Opportunities for higher education include the State University of New York at Cobleskill, as well as the many colleges and universities in and around the Capital District.

District residents find commercial and financial services in the Villages of Schoharie, Middleburgh and Cobleskill, and in and around the Albany-Schenectady area.

Source: District officials.

Population

The estimated population of the District is 6,778. (Source: U.S. Census Bureau, 2016-2020 American Community Survey data)

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Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Towns of:						
Schoharie	$ 19,676	$ 30,258	$ 27,552	$ 50,000	$ 69,107	$ 72,557
Esperance	17,574	29,504	36,435	46,940	68,571	75,714
Wright	19,711	28,375	34,698	46,667	72,969	81,319
Middleburgh	17,560	25,353	40,698	42,056	64,458	64,739
Carlisle	17,767	24,500	34,425	48,095	69,567	65,357
Charleston	16,818	22,838	38,973	45,221	67,083	75,625
Duanesburg	23,345	31,586	35,991	65,461	86,912	97,201
Knox	22,670	29,968	40,480	63,697	89,583	105,262
County of:						
Schoharie	17,778	25,105	32,352	43,118	61,828	71,211
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: 2000 U.S. Census Bureau, and 2006-2010 and 2016-2020 5-Year American Community Survey estimates.

Larger Employers

The larger employers located within the area in and around the District include:

Name	Type	Number of Employees
County of Schoharie	County Government	400
Schoharie County ARC	Services for Developmentally Disabled	300
Schoharie Central School District	School District	195
Cobleskill Stone	Mining	125

Source: District officials.

Unemployment Rate Statistics

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

Annual Averages

	2016	2017	2018	2019	2020	2021	2022
Schoharie County	5.4%	5.5%	4.8%	4.7%	6.8%	4.5%	N/A
New York State	4.9	4.7	4.1	4.0	9.9	6.9	N/A

2022-2023 Monthly Figures

	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Schoharie County	4.6%	4.2%	3.0%	2.9%	3.2%	3.5%	3.7%	2.8%	2.3%	2.8%	N/A	N/A
New York State	5.1	4.7	4.2	4.1	4.3	4.8	4.9	3.9	3.6	3.8	N/A	N/A

Note: Unemployment rates for December 2022 and January 2023 are unavailable as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the School District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the District, which includes debt service.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap to be exceeded 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 third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

Recent Budget Vote Results

The budget for the 2021-22 fiscal year was adopted by qualified voters on May 18, 2021 by a vote of 296 to 84. 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 decrease of 1.99%, which was within the District tax levy limit.

The budget for the 2022-23 fiscal year was adopted by qualified voters on May 17, 2022 by a vote of 231 to 94. The District's budget for the 2022-23 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy decrease of 1.84%, which was equal to the District tax levy limit.

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Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district, or district corporation other than the District; and (6) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit, an eligible surety bond, or under a deposit placement program, as each such term is defined in the law.

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

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2022-23 fiscal year, approximately 55.86% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

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

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

Federal Aid Received by the State.

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

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.

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $2,586,161 in ARP funds and $784,893 in CRRSA funds. As of June 30, 2022 the District has received $1,137,334 ARP funds and $487,807 CRRSA funds.

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

Building aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2023-24 preliminary building aid ratios, the District expects to receive State building aid of approximately 86.7% 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 had declined in some prior years before increasing more recently.

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

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

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

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

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

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

School District Fiscal Year (2023-2024): Governor Kathy Hochul is expected to release the 2023-2024 Executive Budget by February 1, 2023.

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.

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

State Aid Revenues

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

Fiscal Year	Total Revenues (1)	Total State Aid (1)	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 21,956,055	$ 11,022,116	50.20%
2018-2019	22,346,484	11,238,343	50.29
2019-2020	22,929,527	11,862,786	51.74
2020-2021	24,767,684	12,999,251	52.48
2021-2022	24,988,018	13,216,503	52.89
2022-2023 (Budgeted)	24,395,704	13,627,120	55.86

(1) General Fund only.

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

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built
Elementary School	K-5	775	1952, '76, '05
Junior/Senior High School	6-12	650	1926, '87, '98, '05

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-2019	867	2023-2024	804
2019-2020	886	2024-2025	798
2020-2021	842	2025-2026	797
2021-2022	845	2026-2027	783
2022-2023	814	2027-2028	775

Source: District officials.

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Employees

The District employs a total of approximately 175 full-time and 25 part-time employees. Certain employees are represented by the following unions:

Employees Represented	Union Representation	Contract Expiration Date
98	Schoharie Teachers' Association	June 30, 2024
67	Schoharie Central Employees' Association	June 30, 2025
6	Schoharie Central Administrators' Association	June 30, 2025
6	Confidential / Managerial Employees	June 30, 2024

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 had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

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The District is required to contribute at an actuarially determined rate. The actual contributions for the last five fiscal years and budgeted figures for the 2022-2023 fiscal year are as follows:

Fiscal Year	ERS	TRS
2017-2018	$ 369,895	$ 912,997
2018-2019	240,965	746,828
2019-2020	345,705	662,736
2020-2021	367,135	636,396
2021-2022	356,703	702,736
2022-2023 (Budgeted)	390,000	1,035,000

Source: District records.

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

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

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

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

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

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

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

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

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

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

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

Other Post-Employment Benefits

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

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

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

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

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75.

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

Balance beginning at June 30:	2020	2021
Changes for the year:	$ 98,782,593	$ 108,159,618
Service cost	4,105,531	4,462,848
Interest	2,250,255	2,408,413
Differences between expected and actual experience	(197,908)	(134,832)
Changes in assumptions or other inputs	5,364,151	(23,962,624)
Changes of benefit terms	-	-
Benefit payments	(2,145,004)	(2,255,747)
Net Changes	$ 9,377,025	$ (19,481,942)
Balance ending at June 30:	2021	2022
	$ 108,159,618	$ 88,677,676

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.

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

Other Information

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

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

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

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

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

Financial Statements

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

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

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

New York State Comptroller Report of Examination

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

The State Comptroller’s office released an audit report of the District on April 19, 2019. The purpose of the audit was to determine whether District officials properly managed school lunch operations for the period July 1, 2017 through October 1, 2018.

Key Findings:

- Over the three years prior to the audit, the school lunch fund incurred operating deficits totaling over $151,500 (excluding general fund transfers).
- No one at the District performed a cost-per-meal equivalent (ME) or meals-per-labor-hour analyses (MPLH).
- District officials could have saved almost $2,000 in three months if they purchased milk from the New York State Office of General Services (OGS) cooperative bid.

Key Recommendations:

- Periodically complete cost-per-ME and MPLH analyses.
- Ensure the District obtains the best price when making purchases.

The District provided a complete response to the State Comptroller’s office on April 8, 2019. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller’s audits of the District that are currently in progress or pending release.

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

The State Comptroller’s Fiscal Stress Monitoring System

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

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

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

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

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Knox	$ 1,265,680	$ 1,369,193	$ 1,360,903	$ 1,391,661	$ 1,390,406
Charleston	7,326,016	7,263,126	7,332,743	7,406,955	7,441,027
Duanesburg	3,171,438	3,178,902	3,181,953	3,206,182	3,119,404
Carlisle	5,802,256	5,881,756	5,925,322	6,004,499	5,947,652
Esperance	90,175,596	91,749,114	92,550,583	93,799,857	93,987,107
Middleburgh	5,677,520	5,767,278	6,064,909	6,301,076	6,337,338
Schoharie	158,233,817	162,848,929	163,804,455	167,115,943	167,346,306
Wright	73,208,975	73,415,397	73,669,258	74,021,106	73,958,818
Total Assessed Values	$ 344,861,298	$ 351,473,695	$ 353,890,126	$ 359,247,279	$ 359,528,058
State Equalization Rates					
Towns of:					
Knox	58.00%	56.00%	52.00%	50.00%	42.00%
Charleston	95.00%	95.00%	95.00%	93.00%	79.00%
Duanesburg	32.80%	32.80%	29.80%	30.00%	26.00%
Carlisle	76.00%	69.41%	72.00%	66.00%	57.50%
Esperance	96.75%	95.75%	92.40%	88.00%	76.50%
Middleburgh	70.00%	67.75%	65.75%	63.15%	54.00%
Schoharie	96.75%	95.75%	92.40%	88.00%	76.50%
Wright	78.00%	76.00%	73.00%	70.00%	60.00%
Total Taxable Full Valuation	$ 385,919,687	$ 399,266,623	$ 416,824,612	$ 442,750,404	$ 511,683,775

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Towns of:					
Knox	$ 37.75	$ 38.70	$ 40.63	$ 38.99	$ 39.42
Charleston	23.05	22.81	22.24	20.96	20.96
Duanesburg	66.75	66.07	70.90	64.99	63.69
Carlisle	28.81	31.22	29.35	29.54	28.80
Esperance	22.63	22.62	22.87	22.16	21.64
Middleburgh	31.28	31.99	32.14	30.87	30.66
Schoharie	22.63	22.63	22.87	22.15	21.65
Wright	28.07	28.51	28.94	27.85	27.60

Real Property Taxes

The District derives its power to levy tax an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the various Town Assessors. Assessment valuations are determined by the Town Assessors and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations.

Tax Collection Procedure

Taxes are payable to the District Tax Collector during the month of September without penalty. Payments made during the month of October carry a penalty of 2%. Unpaid taxes are returned to the County Treasurers on November 15, and are added to the following year's town/county tax bills with an additional penalty. The Counties reimburse the District for all unpaid taxes in April of the year following the year of levy, and the District is thus assured of 100% collection of its annual levy.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 8,450,098	$ 8,650,703	$ 8,807,281	$ 8,631,822	$ 8,472,763
Amount Uncollected (1)	817,411	759,941	650,722	630,915	571,610
% Uncollected	9.67%	8.78%	7.39%	7.31%	6.75%

(1) See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues (1)	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2017-2018	$ 21,956,055	$ 10,154,972	46.25%
2018-2019	22,346,484	10,304,871	46.11
2019-2020	22,929,527	10,551,175	46.02
2020-2021	24,767,684	10,748,048	43.39
2021-2022	24,988,018	10,605,053	42.44
2022-2023 (Budgeted)	24,395,704	10,393,384	42.60

(1) General fund only.

Source: Audited financial statements for the 2017-2018 fiscal year through the 2021-2022 fiscal year and adopted budget of the District for the 2022-2023 fiscal year. This table is not audited.

Ten Larger Taxpayers 2022 Assessment Roll for 2022-23 District Tax Roll

Name	Type	Full Valuation
Niagara Mohawk Power Corp.	Utility	$6,377,624
Norfolk Southern Railway Co.	Railroad	2,209,659
Carreau, Gerald	Residential	1,976,725
Valley Enterprises LLC	Manufactured Housing Park	1,830,300
Meadows MHC LLC	Apartments	1,575,900
Iroquois Gas Trans System	Utility	1,505,031
Time Warner of Albany	Cable/TV/Phone	1,161,447
BJ Hospitality LLC	Motel	1,116,700
Schoharie Park LLC	Mobile Home Park	1,100,000
Cobleskill Stone Corp	Stone Quarry	1,038,100

The larger taxpayers listed have a total estimated full valuation of $19,891,486, which represents 3.89% of the tax base of the District.

As of the date of this Official Statement, the District currently does not have any pending or outstanding tax certioraris which, if decided adversely to the District, would have a material impact on the District's finances.

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.

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

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

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

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Schoharie	$65,910	$26,400	4/7/2022
Esperance	65,910	26,400	4/7/2022
Wright	52,430	21,000	4/7/2022
Middleburgh	47,300	18,950	4/7/2022
Carlisle	49,430	19,800	4/7/2022
Charleston	69,660	27,900	4/7/2022
Duanesburg	22,470	9,000	4/7/2022
Knox	37,450	15,000	4/7/2022

$1,218,735 of the District's $8,631,822 total 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 $1,117,792 of the District's $8,472,763 total 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-60%, Agricultural-30% and Commercial-10%.

The estimated total annual property tax bill of $100,000 market value residential property located in the District is approximately $4,700 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 and Local Finance Law limit the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the District and the Notes, 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 corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

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

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

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

As of the date of this Official Statement, the School 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 School 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 School District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

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Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2018	2019	2020	2021	2022
Bonds	$ 7,120,000	$ 4,870,000	$ 3,540,000	$ 16,465,000	$ 15,345,000
Bond Anticipation Notes	2,306,070	2,296,963	19,865,426	316,527	155,518
Installment Purchase Contracts	10,814	0	0	0	0
Other Debt	955,445	702,783	488,511	247,013	0
Total Debt Outstanding	$ 10,381,515	$ 7,869,746	$ 23,893,937	$ 17,028,540	$ 15,500,518

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of January 27, 2023.

Type of Indebtedness	Maturity	Amount
Bonds	2023-2035	$ 15,345,000
Bond Anticipation Notes		
Purchase of School Buses	September 22, 2023	450,510
	Total Indebtedness	$ 15,795,510

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of January 27, 2023:

Full Valuation of Taxable Real Property			$ 511,683,755
Debt Limit – 10% thereof			51,168,377
Inclusions:			
Bonds	$ 15,345,000		
Bond Anticipation Notes	450,510		
Principal of this Issue	8,000,000		
Total Inclusions		$ 23,795,510	
Exclusions:			
Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 23,795,510
Net Debt-Contracting Margin			$ 27,372,867
The percent of debt contracting power exhausted is			46.50%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2023-24 Building Aid Ratios, the School District anticipates State building aid of 86.7% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the statutory debt limit of the School District.

Bonded Debt Service

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

Cash Flow Borrowings

The District has not undertaken any borrowing for cash flow purposes since the fiscal year ended June 30, 2002. The District does not anticipate any cash flow borrowings in the foreseeable future.

Capital Project Plans

The District issues bond anticipation notes on an annual basis to finance the acquisition of buses. On September 22, 2022, the District issued $450,510 of bond anticipation notes maturing September 22, 2023, for the aforementioned purpose.

On May 17, 2022 the qualified voters of the District approved a $25,900,000 capital project plan to be financed by the expenditure of not to exceed $23,400,000 of bonds and notes and the expenditure of $2,500,000 from a capital reserve fund. Taking into account State aid expected to be received by the School District with respect to the capital project, the capital project is expected to have no cost impact to the District taxpayers. The Notes are being issued as the first borrowing for the aforementioned purpose.

On May 17, 2022 the voters of the District also approved a $2,750,000 Energy Performance Project. This project will be completely funded through an installment sale agreement and, between State Aid and energy cost savings it is expected to have no cost to the District taxpayers.

The District does not presently have any additional projects authorized, nor are any contemplated.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [(1)]	Exclusions [(2)]	Net Indebtedness	District Share	Applicable Indebtedness
Counties of:						
Schoharie	12/31/2020	$ 34,430,531	$ 840,531	$ 33,590,000	16.25%	$ 5,458,375
Montgomery	12/31/2020	39,854,000	-	39,854,000	0.31%	123,547
Schenectady	12/31/2020	72,765,000	-	72,765,000	0.10%	72,765
Albany	12/31/2020	341,000,000	40,000,000	301,000,000	0.01%	30,100
Towns of:						
Schoharie	12/31/2020	108,001	-	108,001	93.18%	100,635
Esperance	12/31/2020	708,239	108,000	600,239	94.65%	568,126
Wright	12/31/2020	137,611	-	137,611	92.86%	127,786
Middleburgh	12/31/2020	165,265	-	165,265	4.21%	6,958
Carlisle	12/31/2020	-	-	-	7.29%	-
Charleston	12/31/2020	60,000	-	60,000	7.56%	4,536
Duanesburg	12/31/2020	6,376,874	-	6,376,874	1.91%	121,798
Knox	12/31/2020	-	-	-	0.90%	-
Villages of:						
Schoharie	12/31/2021	-	-	-	100.00%	-
Esperance	5/31/2021	8,000	-	8,000	100.00%	8,000
					Total:	$ 6,622,627

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

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

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2020 and 2021.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of January 27, 2023:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 23,795,510	$ 3,510.70	4.65%
Net Indebtedness Plus Net Overlapping Indebtedness [d]...........	30,418,137	4,487.77	5.94

(a) The 2020 estimated population of the District is 6,778. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2022-2023 fiscal year is $511,683,755. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is $6,622,627. (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 Notes 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 Notes 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. The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

The financial condition of the 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.

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The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow 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 impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. 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. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (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. 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. COVID19, a respiratory disease caused by a new strain of coronavirus, 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 is widely expected to affect economic growth worldwide. The current outbreak caused the Federal government to declare a national state of emergency. The State also declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and non-essential businesses have been allowed to reopen under State guidelines. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and most of the restrictions put in place following the initial outbreak have been relaxed. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal and State government to address it may negatively impact national, state, and local economies including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State, municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

TAX MATTERS

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law, (1) interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum tax imposed by the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, except that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to Federal income taxation from the date of issuance thereof, and (2) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Notes from gross income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Notes to be included in gross income retroactive to the date of issuance of the Notes. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Notes are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The District will covenant in the Tax Certificates as to Arbitrage and Use of Proceeds and Instructions as to Compliance with Provisions of Section 103(a) of the Code, that, to maintain the exclusion of interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the District shall comply with each applicable provision of the Code.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Notes to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel also has advised that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Notes; (2) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Notes, may be subject to Federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Notes; and (5) under Section 32 (i) of the Code, receipt of investment income, including interest on the Notes, may disqualify the recipient thereof from obtaining the earned income credit.

A Noteholder's federal, state and local tax liability may otherwise be affected by the ownership or disposition of the Notes. The nature and extent of these other consequences will depend upon the Noteholder's other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Each purchaser of the Notes should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

The Notes will <u>not</u> be designated or deemed designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law and could affect the market price for, or the marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding the foregoing matters. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes.

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LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical 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.

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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 and has reviewed and commented on certain legal documents, including this Official Statement. 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 paid by the District to Fiscal Advisors are partially contingent on a successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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

RATING

The Notes are <u>not</u> 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.

Moody's Investors Service, Inc. (“Moody's”) has assigned its underlying rating of “A1” to the District’s outstanding bonds. A rating reflects only the view of the rating agency assigning such rating, and any desired explanation of the significance of such rating should be obtained from Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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.

Barclay Damon LLP, Albany, 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: Mr. David J. Baroody, School Business Administrator, P.O. Box 430, 136 Academy Drive, Schoharie, New York 12157 telephone (518) 295-6677, fax (518) 295-9510, email dbaroody@schoharieschools.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

SCHOHARIE CENTRAL SCHOOL DISTRICT

Dated: January 27, 2023

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PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
ASSETS					
Unrestricted Cash	$ 1,122,555	$ 3,134,902	$ 1,644,724	$ 1,535,285	$ 1,756,193
Restricted Cash	-	88,456	3,144,628	5,415,607	4,371,375
Investments	6,878,693	3,025,885	722,789	-	
State and Federal Aid Receivable	399,106	316,967	413,896	1,351,073	496,431
Due from Other Governments	451,835	518,024	556,492	550,483	834,050
Due from Other Funds	838,305	741,707	2,680,578	1,901,962	1,923,505
Accounts Receivable	86,793	111,187	1,482	-	4,779
TOTAL ASSETS	$ 9,777,287	$ 7,937,128	$ 9,164,589	$ 10,754,410	$ 9,386,333
LIABILITIES AND FUND EQUITY					
Accounts and Retainages Payable	$ -	$ 60,370	$ 120,480	$ 361,895	$ 67,381
Accrued Liabilities	89,826	80,793	81,527	257,496	67,050
Due to Other Funds	-	6,964	260,263	552,892	171,503
Due to Other Governments	42,703	57,571	5,119	-	-
Due to Teachers' Retirement System	777,720	834,772	715,889	687,209	770,966
Due to Employees' Retirement System	87,485	89,867	89,980	109,729	84,368
Deferred Revenues	439,573	420,192	695,425	-	13
TOTAL LIABILITIES	$ 1,437,307	$ 1,550,529	$ 1,968,683	$ 1,969,221	$ 1,161,281
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	4,826,076	3,114,341	3,867,417	5,415,607	4,371,375
Assigned	1,831,664	1,929,165	2,365,778	2,351,411	1,597,302
Unassigned	1,682,240	1,343,093	962,711	1,018,171	2,256,375
TOTAL FUND EQUITY	$ 8,339,980	$ 6,386,599	$ 7,195,906	$ 8,785,189	$ 8,225,052
TOTAL LIABILITIES & FUND EQUITY	$ 9,777,287	$ 7,937,128	$ 9,164,589	$ 10,754,410	$ 9,386,333

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes & Tax Items	$ 9,989,619	$ 10,154,972	$ 10,304,871	$ 10,551,175	$ 10,748,048
Non-Property Taxes	-	-	-	-	-
Charges for Services	118,086	142,020	199,097	42,663	69,987
Use of Money & Property	18,380	100,014	161,761	119,045	11,226
Sale of Property and Compensation for Loss	58,062	148,219	27,292	85,566	84,856
Miscellaneous	204,974	304,899	257,747	160,762	504,118
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	10,762,635	11,022,116	11,238,343	11,862,786	12,999,251
Revenue from Federal Sources	66,672	83,815	157,373	107,530	350,198
Total Revenues	$ 21,218,428	$ 21,956,055	$ 22,346,484	$ 22,929,527	$ 24,767,684
Other Sources:					
Appropriated Fund Balance	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	$ 21,218,428	$ 21,956,055	$ 22,346,484	$ 22,929,527	$ 24,767,684
EXPENDITURES					
General Support	$ 2,023,096	$ 2,350,363	$ 2,322,311	$ 2,219,936	$ 2,582,084
Instruction	9,474,895	9,894,974	10,257,679	10,374,001	9,520,628
Pupil Transportation	1,113,258	1,158,267	1,201,324	1,215,945	1,778,484
Community Services	2,854	3,014	3,135	3,260	3,374
Employee Benefits	5,844,129	5,899,084	5,953,094	5,970,644	5,901,295
Debt Service	1,989,545	1,982,882	1,993,664	2,252,347	2,358,272
Capital Outlay	-	-	-	-	-
Total Expenditures	$ 20,447,777	$ 21,288,584	$ 21,731,207	$ 22,036,133	$ 22,144,137
Other Uses:					
Interfund Transfers	72,937	126,530	2,568,658	84,087	1,034,264
Total Expenditures and Other Uses	$ 20,520,714	$ 21,415,114	$ 24,299,865	$ 22,120,220	$ 23,178,401
Excess (Deficit) Revenues Over Expenditures	697,714	540,941	(1,953,381)	809,307	1,589,283
FUND BALANCE					
Fund Balance - Beginning of Year	7,101,324	7,799,039	8,339,980	6,386,599	7,195,906
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 7,799,038	$ 8,339,980	$ 6,386,599	$ 7,195,906	$ 8,785,189

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2022 Original Budget	2022 Final Budget	2022 Actual	2023 Adopted Budget
REVENUES				
Real Property Taxes & Tax Items	$ 7,374,273	$ 7,374,273	$ 7,413,253	$ 7,158,517
Non-Property Taxes	3,234,195	3,234,195	3,191,800	3,234,867
Charges for Services	27,000	27,000	143,595	28,200
Use of Money & Property	20,000	20,000	22,192	11,000
Sale of Property and Compensation for Loss	25,750	35,024	50,672	23,000
Miscellaneous	225,000	225,000	719,355	238,000
Interfund Revenues			-	-
Revenues from State Sources	12,998,068	12,998,068	13,216,503	13,627,120
Revenues from Federal Sources	75,000	75,000	230,648	75,000
Total Revenues	$ 23,979,286	$ 23,988,560	$ 24,988,018	$ 24,395,704
Other Sources:				
Prior Year Encumbrances				-
Appropriated Fund Balance	1,500,000	1,500,000		1,500,000
Appropriated Reserves		3,449,877		-
Interfund Transfers				-
Total Revenues and Other Sources	$ 25,479,286	$ 28,938,437	$ 24,988,018	$ 25,895,704
EXPENDITURES				
General Support	$ 2,706,082	$ 2,821,305	$ 2,595,188	$ 2,975,466
Instruction	11,308,784	11,148,801	9,494,719	11,667,989
Pupil Transportation	1,574,400	1,977,536	1,858,710	1,824,900
Community Services	3,492	3,509	3,509	3,492
Employee Benefits	7,123,473	7,122,705	6,050,917	7,253,120
Debt Service	2,560,055	2,560,055	2,408,466	1,948,737
Capital Outlay			-	100,000
Total Expenditures	$ 25,276,286	$ 25,633,911	$ 22,411,509	$ 25,773,704
Other Uses:				
Interfund Transfers	203,000	3,304,526	3,136,646	122,000
Total Expenditures and Other Uses	$ 25,479,286	$ 28,938,437	$ 25,548,155	$ 25,895,704
Excess (Deficit) Revenues Over Expenditures	-	-	(560,137)	-
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	8,785,189	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 8,225,052	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 1,185,000	$ 656,062.50	$ 1,841,062.50
2024	1,225,000	615,862.50	1,840,862.50
2025	1,170,000	575,312.50	1,745,312.50
2026	1,115,000	535,112.50	1,650,112.50
2027	1,165,000	486,012.50	1,651,012.50
2028	1,215,000	434,500.00	1,649,500.00
2029	1,115,000	380,325.00	1,495,325.00
2030	1,170,000	327,950.00	1,497,950.00
2031	1,160,000	272,600.00	1,432,600.00
2032	1,130,000	216,200.00	1,346,200.00
2033	1,190,000	159,700.00	1,349,700.00
2034	1,250,000	100,200.00	1,350,200.00
2035	1,255,000	50,200.00	1,305,200.00
TOTALS	$ 15,345,000	$ 4,810,037.50	$ 20,155,037.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014 Capital Projects Principal	Interest	Total	2017 Refunding Bonds Principal	Interest	Total
2023	$ 135,000	$ 25,800.00	$ 160,800.00	$ 180,000	$ 7,300.00	$ 187,300.00
2024	140,000	21,750.00	161,750.00	185,000	3,650.00	188,650.00
2025	140,000	17,550.00	157,550.00	90,000	900.00	90,900.00
2026	145,000	13,350.00	158,350.00	-	-	-
2027	150,000	9,000.00	159,000.00	-	-	-
2028	150,000	4,500.00	154,500.00	-	-	-
TOTALS	$ 860,000	$ 91,950.00	$ 951,950.00	$ 455,000	$ 11,850.00	$ 466,850.00

Fiscal Year Ending June 30th	2016 Renovations Principal	Interest	Total	2021 DASNY - Capital Project Principal	Interest	Total
2023	$ 115,000	$ 25,012.50	$ 140,012.50	$ 755,000	$ 597,950.00	$ 1,352,950.00
2024	120,000	22,712.50	142,712.50	780,000	567,750.00	1,347,750.00
2025	125,000	20,312.50	145,312.50	815,000	536,550.00	1,351,550.00
2026	125,000	17,812.50	142,812.50	845,000	503,950.00	1,348,950.00
2027	130,000	15,312.50	145,312.50	885,000	461,700.00	1,346,700.00
2028	130,000	12,550.00	142,550.00	935,000	417,450.00	1,352,450.00
2029	135,000	9,625.00	144,625.00	980,000	370,700.00	1,350,700.00
2030	140,000	6,250.00	146,250.00	1,030,000	321,700.00	1,351,700.00
2031	80,000	2,400.00	82,400.00	1,080,000	270,200.00	1,350,200.00
2032	-	-	-	1,130,000	216,200.00	1,346,200.00
2033	-	-	-	1,190,000	159,700.00	1,349,700.00
2034	-	-	-	1,250,000	100,200.00	1,350,200.00
2035	-	-	-	1,255,000	50,200.00	1,305,200.00
TOTALS	$ 1,100,000	$ 131,987.50	$1,231,987.50	$ 12,930,000	$ 4,574,250.00	$ 17,504,250.00

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (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 School District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

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

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

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

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

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

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

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SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHOHARIE COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2022

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

SCHOHARIE CENTRAL SCHOOL DISTRICT

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RAYMOND G. PREUSSER, CPA, P.C.
Certified Public Accountants
P.O. Box 538
Claverack, New York 12513

Telephone: (518) 851-6650
Fax: (518) 851-6675

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Schoharie Central School District:

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

Opinions

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

Basis for Opinions

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

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schoharie Central

School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of changes in the total OPEB liability, the District's proportionate share of the net pension asset/liability, and District contributions on pages M1-M10 and 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Schoharie Central School District's basic financial statements as a whole. The other supplementary information comprises the additional analysis and is not a required part of the financial statements, but is supplementary information required by the New York State Education Department. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2022 on our consideration of the Schoharie 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 Schoharie Central School District's internal control over financial reporting and compliance.

Raymond G. Preusser, CPA, P.C.

Claverack, New York
September 20, 2022

SCHOHARIE CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2022

INTRODUCTION

The Schoharie Central School District offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. Please review it in conjunction with the District's financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- Total net position decreased by $2,384,964 from ($56,611,109) to ($58,996,073).
- As of the close of this fiscal year, the District's governmental funds reported combined fund balances of $11,503,269, an increase of $2,545,941 in comparison with the prior year.
- The District maintained an Unemployment Reserve, a Retirement Contributions Reserve for Employee's Retirement, an Employee Benefit Accrued Liability Reserve, a Capital Reserve-Buses, an Insurance Reserve, a Workers Compensation Reserve, a Property Loss Reserve, a Liability Reserve and a Retirement Contributions Reserve for Teacher's Retirement during the year. In addition, the District added a Repair Reserve during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis narrative (required supplemental information) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1. Districtwide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

In addition to these statements, this report also includes required supplemental information and other supplemental information.

Our auditor has provided assurance in the independent auditor's report that the Basic Financial Statements are fairly stated. A different degree of assurance is being provided by the auditor regarding the supplemental information identified below. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part in the financial statements.

Financial Statements

Required Supplemental Information (Part A)
Management's Discussion & Analysis (MD&A)

Basic Financial Statements

Districtwide Financial Statements	↔	**Fund Financial Statements**

Notes to the Basic Financial Statements

Required Supplemental Information (Part B)

General Fund Budget to Actual Schedule

Changes in the Total OPEB Liability

District's Proportionate Share of the Net Pension Asset/Liability

District Contributions

Supplemental Information

General Fund Budget & Fund Balance Information

Capital Project Funds Schedule of Project Expenditures

Schedule of Net Investment in Capital Assets

DISTRICTWIDE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. certain federal/state grants earned but not yet received, unused vacation/sick leave, and proceeds from Revenue Anticipation Notes and related interest).

All of the District's services are reported in the districtwide financial statements as *governmental activities*, including general support, instruction, pupil transportation, community services, and school lunch. Property taxes, state/federal aid, and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

DISTRICTWIDE FINANCIAL ANALYSIS

Schoharie Central School District's Net Position
June 30, 2022 and 2021

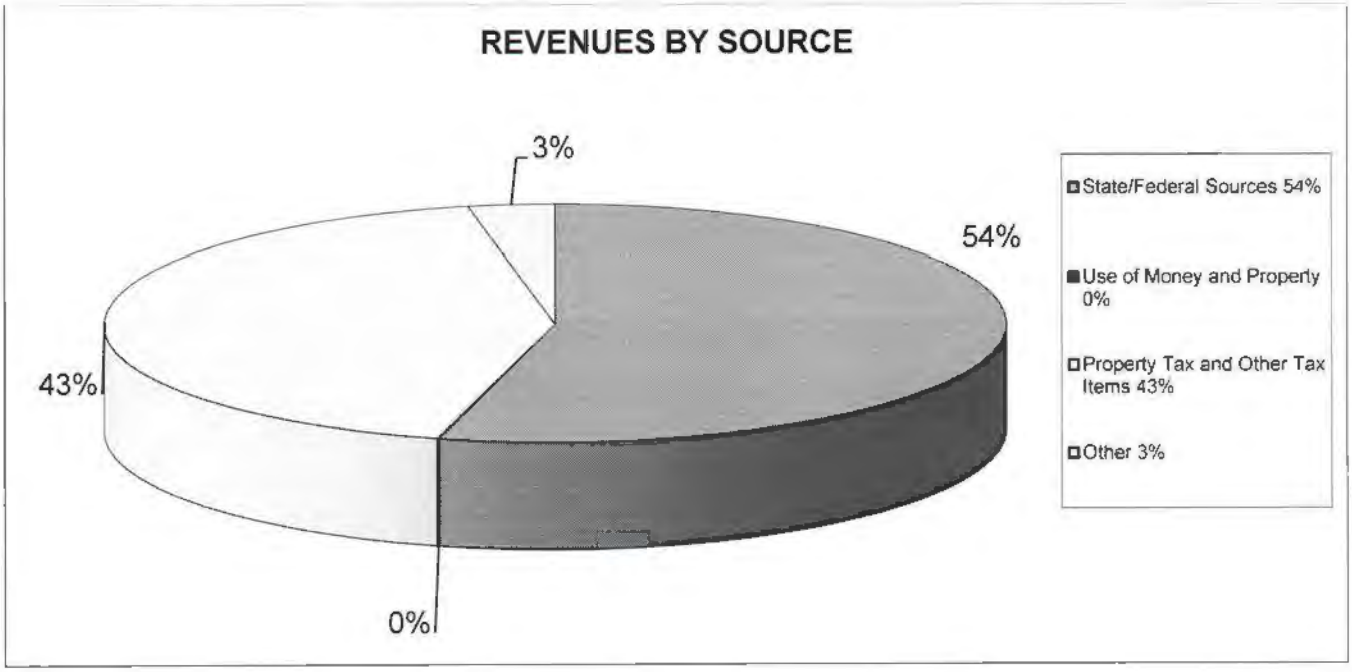
	Governmental Activities		
	2022	2021	Variance Increase (Decrease)
Current Assets	$ 12,743,901	$ 10,941,143	$ 1,802,758
Capital Assets	32,622,775	33,026,036	(403,261)
Net Pension Asset	7,454,824	-	7,454,824
Total Assets	52,821,500	43,967,179	8,854,321
Deferred Outflows of Resources	24,801,977	32,441,287	(7,639,310)
Total Assets and Outflows of Resources	77,623,477	76,408,466	1,215,011
Current Liabilities	2,457,373	3,407,816	(950,443)
Noncurrent Liabilities	14,844,341	15,994,199	(1,149,858)
Total OPEB Obligation	88,677,676	108,159,618	(19,481,942)
Net Pension Liability	-	1,226,293	(1,226,293)
Total Liabilities	105,979,390	128,787,926	(22,808,536)
Deferred Inflow of Resources	30,640,160	4,231,649	26,408,511
Total Liabilities and Inflows of Resources	136,619,550	133,019,575	3,599,975
Net Position:			
Investment in capital assets, net of related debt	17,472,999	16,348,238	1,124,761
Restricted	5,797,675	5,970,864	(173,189)
Unrestricted (deficit)	(82,266,747)	(78,930,211)	(3,336,536)
Total Net Position	$(58,996,073)	$(56,611,109)	$ (2,384,964)

Schoharie Central School District's
Changes in Net Position
For the Years Ended June 30, 2022 and 2021

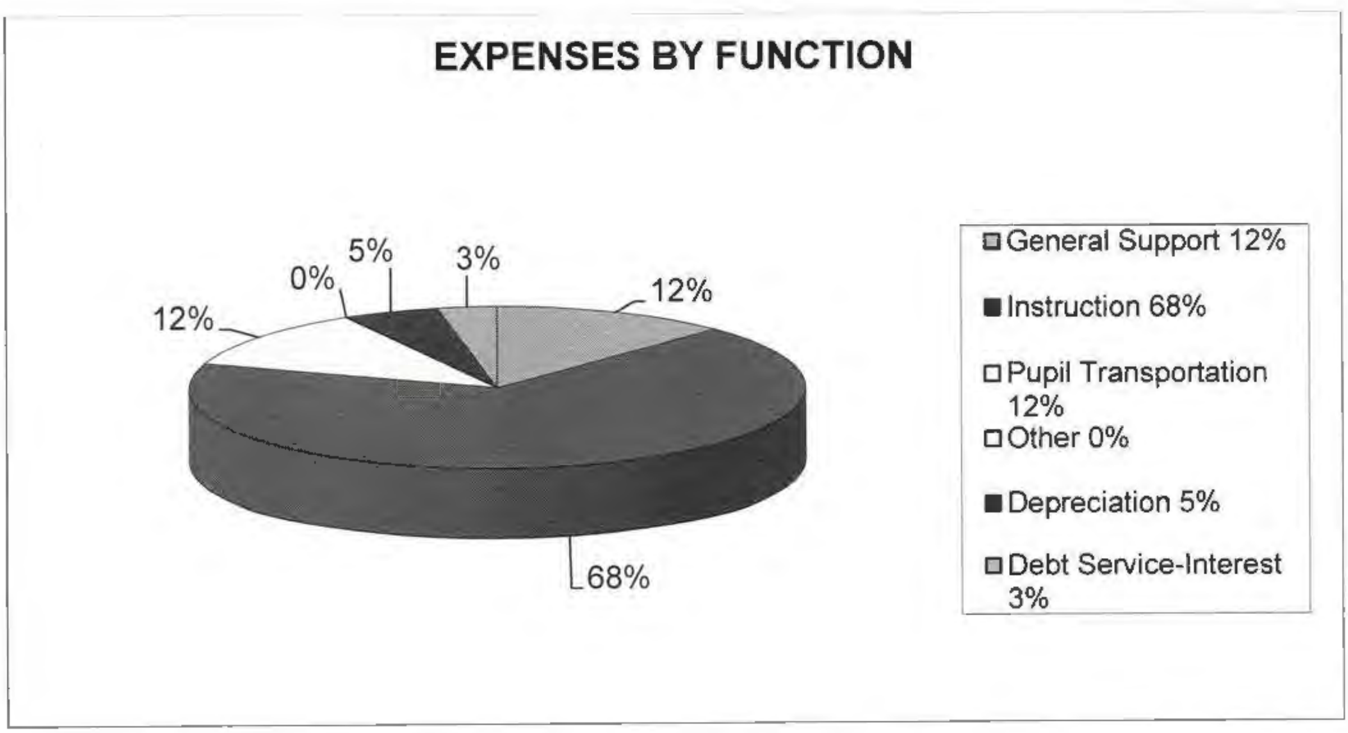
	Governmental Activities		
	2022	2021	Variance Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	$ 181,046	$ 83,204	$ 97,842
Operating Grants and Contributions	3,134,901	1,146,406	1,988,495
Total Program Revenues	$ 3,315,947	$ 1,229,610	$ 2,086,337
General Revenues:			
Real Property Taxes	$ 7,413,253	$ 7,514,150	$ (100,897)
Other Tax Items	3,191,800	3,233,898	(42,098)
Use of Money and Property	22,249	11,278	10,971
Sale of Property and Compensation for Loss	50,672	84,856	(34,184)
Miscellaneous	719,355	504,118	215,237
State Sources	13,216,503	12,999,251	217,252
Federal Sources	230,648	350,198	(119,550)
Premium on Obligations	-	3,081,033	(3,081,033)
Total General Revenues	24,844,480	27,778,782	(2,934,302)
Expenses (Net of Program Revenues):			
Instruction	18,442,608	23,014,579	(4,571,971)
Support Services:			
General Support	3,401,947	4,423,508	(1,021,561)
Pupil Transportation	3,194,835	3,242,406	(47,571)
Community Service	3,509	3,374	135
Debt Service-Interest	855,197	194,833	660,364
Depreciation-Unallocated	1,355,468	1,168,644	186,824
School Lunch	(24,120)	61,727	(85,847)
Fiscal Agent Fees	-	245,669	(245,669)
Total Expenses	27,229,444	32,354,740	(5,125,296)
Change in Net Position	$ (2,384,964)	$ (4,575,958)	$ 2,190,994

The following charts provide the percentage of breakdown of all revenues by source and all expenses by function for the entire District:

Districtwide Revenues by Source
For the Year Ended June 30, 2022



Districtwide Expenses by Function
For the Year Ended June 30, 2022



FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds.

A fund is a grouping of related accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants). All of the funds of the District can be divided into two categories: governmental funds, and fiduciary funds.

- ***Governmental funds:*** All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available to be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the districtwide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

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

FUND FINANCIAL ANALYSIS (DISTRICT'S FUNDS)

The District's governmental funds (as presented on the balance sheet) reported a combined Fund Balance of $11.5 million, which is above last year's total of $9 million. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2022 and 2021.

	Fund Balance 2022	Fund Balance 2021	Variance Increase (Decrease)
General	$ 8,225,052	$ 8,785,189	$ (560,137)
School Lunch	79,177	1,000	78,177
Special Aid	383,813	-	383,813
Capital	2,678,303	34,215	2,644,088
Debt Service	136,924	136,924	-
Totals	$ 11,503,269	$ 8,957,328	$ 2,545,941

General Fund

The tables that follow assist in illustrating the financial activities and balance of the general fund.

Revenues:	2022	2021	Variance Increase (Decrease)
Taxes and Other Tax Items	$ 10,605,053	$ 10,748,048	$ (142,995)
Use of Money and Property	22,192	11,226	10,966
State/Federal Sources	13,447,151	13,349,449	97,702
Other	913,622	658,961	254,661
Totals	$ 24,988,018	$ 24,767,684	$ 220,334

Expenses:	2022	2021	Variance Increase (Decrease)
General Support	$ 2,595,188	$ 2,582,084	$ 13,104
Instruction	9,494,719	9,520,628	(25,909)
Pupil Transportation	1,858,710	1,778,484	80,226
Community Service	3,509	3,374	135
Employee Benefits	6,050,917	5,901,295	149,622
Debt Service	2,408,466	2,358,272	50,194
Other	3,136,646	1,034,264	2,102,382
Totals	$ 25,548,155	$ 23,178,401	$ 2,369,754

GENERAL FUND BUDGET INFORMATION

The District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The difference between the general fund's original budget and the final amended budget was $3,459,151. This amount represents the carryover encumbrances from the 2020/21 school year in the amount of $399,877, Board approved use of reserves of $3,050,000 and insurance recovery of $9,274.

CAPITAL ASSETS

The District's capital assets (net of accumulated depreciation) as of June 30, 2022 are as follows:

Asset Description	Amount
Land	$ 7,889
Construction in Progress	18,994,119
Buildings and Improvements	11,631,827
Machinery and Equipment	1,988,940
Total	$32,622,775

The total decrease in the District's capital assets (net of accumulated depreciation) for the current fiscal year was $403,261. The most significant changes to capital assets were attributable to expenditures from the capital projects and the purchases of equipment less the depreciation expense.

DEBT

The District had debt including bond anticipation note payable and serial bonds payable in the amount of $15,500,518 as of June 30, 2022, a decrease over the previous year of $1,528,022. The debt outstanding for the year ended June 30, 2022 is summarized as follows:

Debt Description	**Outstanding Balance**
Bonds	$ 15,345,000
Bond Anticipation Note	155,518
Total	$ 15,500,518

The District has refunding bonds outstanding, the proceeds of which are in escrow to fund other previously existing debt. The refunding was done to reduce future interest payments.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the total full value of real property. At June 30, 2022 the District's general obligation debt was significantly lower than its total debt limit.

FACTORS BEARING ON THE DISTRICT'S FUTURE FISCAL HEALTH

At the time these financial statements were prepared and audited, the Schoharie Central School District was aware of the following factors that could possibly affect its financial position over the course of the next few years.

- The total fund balance of the General Fund at June 30, 2021 was $8.225 million. The fund balance amount consists of $4.371 million reserved balance; $1.5 million against the tax levy; and a net unassigned balance of $2.256 million available for future use against the ensuing 2023-24 tax levy and for future capital improvement and physical plant needs. This fund balance amount indicates that the financial foundation of the school district is solid, which shows the District to be in good stead for future school fiscal years. The five-year financial plan places the fiscal picture of the school district in stable condition, assuming that the state aid keeps pace with the cost of living or within the tax cap, and the major cost centers remain consistent within current trends.

- For the 2022-23 school year, the District's budget-to-budget change is a modest 1.63 percent higher than the previous school year. The Board of Education has been careful with the allocation of scarce resources, especially due to the fiscal pressures reflected in an economy adjusting to the aftermath of a viral pandemic. The budget was developed in compliance with the tax levy limitation requirement. The tax levy was reduced by -1.84 percent compared to the prior school fiscal year.

- Schoharie Central School District, along with other municipalities in the county, was petitioned by large utility companies that challenged its property assessments. The District joined forces with the other municipalities to ward off the challenges by engaging the services of a special attorney and a property appraiser. The local municipalities subsequently reached a settlement with the natural gas transmission systems and approved PILOT (payment in-lieu of taxes) agreements. The advantage to this was to ensure the revenue flow amongst the mix of tax levy collections and PILOT payments.

- The personal income wealth level of District residents is appreciably lower than the statewide average. An average wealth school district in New York State has a Combined Wealth Ratio (CWR) indicator of 1.0. Schoharie Central School District has a CWR indicator of .68 according to the latest data from the State Aid Office of the New York State Education Dept., meaning the property and income wealth for district residents is about one-third less than the statewide average. The significance of this income wealth measurement speaks to the ability of the residents of the school district to support themselves and their families, in addition to paying income and property taxes to support the government and public institutions.

- Looking to the future, the voters in May 2022 approved a $25.9 million capital project of improvements to the buildings, the physical plant, and the grounds. The project will be funded by aid from the State of New York at a ratio of approximately 83 percent, paid over a period of 15 years. The remainder of the financing will be accounted for by a $2.5 million capital reserve of available funds previously authorized by the voters, therefore over the course of the payment of the debt service the impact on the local share would be negligible. Also, the voters approved a $2.75 million energy savings project which will also be aided by funds from the State at the approximate 83 percent aid ratio. Any local share of the project will be accounted for by lower costs due to the reduced consumption of energy.

Even though these factors have the potential to impact the District's financial status within the next few years, District officials and the Board have been extremely diligent by saving money through such programs as: joining a health insurance coalition to stabilize rates; self-funding employee and retiree medical prescriptions; alternative-funding the cost of workers' compensation premiums; and educating as many students in their own building at Schoharie Central School District instead of busing them to special schools outside of the District, thus saving on tuition payments and additional transportation costs.

The District has an experienced business management team of professionals who provide responsible fiscal stewardship. The finances are such that the District presently has the financial resources to meet its long-term debt obligations for the next few years, and as well provide a sound basic education to its students. This solid fiscal and management capacity has been recognized by the bond rating agencies. The current rating: Standard and Poor's "SP-1+".

CONTACTING THE SCHOOL DISTRICT

This report is designed to provide members of the school district community, citizens, taxpayers, investors and creditors with a general overview of the Schoharie Central School District's finances, and to demonstrate the District's ability to properly account for the public money it receives and spends.

If you have questions about this report or if you need additional information, please contact:

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Schoharie Central School District
P.O. Box 430
136 Academy Drive
Schoharie, New York 12157
Phone: 518-295-6673
Fax: 518-295-9510
www.schoharieschools.org

SCHOHARIE CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

ASSETS		
Unrestricted cash	$ 5,622,448	
Restricted cash	4,371,375	
Other receivables, net	4,779	
State and federal aid receivable	1,886,552	
Due from other governments	834,050	
Due from fiduciary funds	10,107	
Inventories	14,590	
Capital assets, net	32,622,775	
Net pension asset- proportionate share	7,454,824	
Total Assets		$ 52,821,500
DEFERRED OUTFLOW OF RESOURCES		
Pensions	$ 5,411,585	
OPEB-GAB 75	19,390,392	
Total Deferred Outflows of Resources		$ 24,801,977
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 52,637	
Accrued liabilities	98,791	
Payroll liabilities	65,501	
Bond anticipation notes payable	155,518	
Due to other governments	1,357	
Due to teachers' retirement system	770,966	
Due to employees' retirement system	84,368	
Due to fiduciary funds	19,912	
Unearned revenue	23,310	
Overpayments	13	
Long-Term Liabilities:		
Due and payable within one year		
Bonds payable	1,185,000	
Due and payable after one year		
Bonds payable	14,160,000	
Compensated absences payable	684,341	
Other postemployment benefits payable	88,677,676	
Total Liabilities		$ 105,979,390
DEFERRED INFLOWS OF RESOURCES		
Pensions	9,757,214	
OPEB-GASB 75	20,882,946	
Total Deferred Inflows of Resources		$ 30,640,160
NET POSITION		
Net Investment in Capital Assets	17,472,999	
Restricted	5,797,675	
Unrestricted (deficit)	(82,266,747)	
Total Net Position		$ (58,996,073)

See auditor's report. See notes to financial statements.

SCHOHARIE CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For Year Ended June 30, 2022

	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General support	$ 2,464,962	$ 936,985	$ -	$ -	$ (3,401,947)
Instruction	11,670,774	9,421,147	143,595	2,505,718	(18,442,608)
Pupil transportation	1,643,803	1,577,547	-	26,515	(3,194,835)
Community services	3,509	-	-	-	(3,509)
Employee benefits	12,009,148	(12,009,148)	-	-	-
Debt service-interest	855,197	-	-	-	(855,197)
Depreciation	1,355,468	-	-	-	(1,355,468)
Food service program	542,530	73,469	37,451	602,668	24,120
Total Functions and Programs	$ 30,545,391	$ -	$ 181,046	$ 3,134,901	(27,229,444)
GENERAL REVENUES					
Real property taxes					7,413,253
Other tax items					3,191,800
Use of money and property					22,249
Sale of property and compensation for loss					50,672
Miscellaneous					719,355
State sources					13,216,503
Federal sources					230,648
Total General Revenues					24,844,480
Change in Net Position					(2,384,964)
Total Net Position - Beginning of year					(56,611,109)
Total Net Position - End of year					$ (58,996,073)

See auditor's report. See notes to financial statements.

SCHOHARIE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted cash	$ 5,622,448	$ -	$ -	$ 5,622,448
Restricted cash	4,371,375	-	-	4,371,375
Other receivables, net	4,779	-	-	4,779
Due from other funds	2,075,461	-	(2,075,461)	-
Due from fiduciary funds	-	-	10,107	10,107
Due from other governments	834,050	-	-	834,050
Inventories	14,590	-	-	14,590
State and federal aid receivable	1,886,552	-	-	1,886,552
Capital assets, (net)	-	32,622,775	-	32,622,775
Net pension asset- proportionate share	-	7,454,824	-	7,454,824
Total Assets	$ 14,809,255	$ 40,077,599	$ (2,065,354)	$ 52,821,500
DEFERRED OUTFLOW OF RESOURCES				
Pensions	$ -	$ 5,411,585	$ -	$ 5,411,585
OPEB-GASB 75	-	19,390,392	-	19,390,392
Total Deferred Outflows of Resources	$ -	$ 24,801,977	$ -	$ 24,801,977
LIABILITIES				
Accounts payable	$ 52,637	$ -	$ -	$ 52,637
Accrued liabilities	67,050	31,741	-	98,791
Payroll liabilities	65,501	-	-	65,501
Bond anticipation notes payable	155,518	-	-	155,518
Bonds payable	-	15,345,000	-	15,345,000
Due to other funds	2,085,266	-	(2,085,266)	-
Due to fiduciary funds	-	-	19,912	19,912
Due to teachers' retirement system	770,966	-	-	770,966
Due to employees' retirement system	84,368	-	-	84,368
Due to other governments	1,357	-	-	1,357
Unearned revenues	23,310	-	-	23,310
Other postemployment benefits payable	-	88,677,676	-	88,677,676
Compensated absences	-	684,341	-	684,341
Overpayments	13	-	-	13
Total Liabilities	$ 3,305,986	$ 104,738,758	$ (2,065,354)	$ 105,979,390
DEFERRED INFLOWS OF RESOURCES				
Pensions	$ -	$ 9,757,214	$ -	9,757,214
OPEB-GASB 75	-	20,882,946	-	20,882,946
Total Deferred Inflows of Resources	$ -	$ 30,640,160	$ -	$ 30,640,160
FUND BALANCE\NET POSITION				
Total Fund Balance\Net Position	$ 11,503,269	$ (70,499,342)	$ -	$ (58,996,073)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	$ 14,809,255	$ 64,879,576	$ (2,065,354)	$ 77,623,477

See auditor's report. See notes to financial statements.

SCHOHARIE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For Year Ended June 30, 2022

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	$ 7,413,253	$ -	$ -	$ -	$ 7,413,253
Other tax items	3,191,800	-	-	-	3,191,800
Charges for services	143,595	-	-	-	143,595
Use of money and property	22,249	-	-	-	22,249
Sale of property and compensation for loss	50,672	-	-	-	50,672
Miscellaneous	720,024	-	-	-	720,024
State sources	13,793,443	-	-	-	13,793,443
Federal sources	2,788,609	-	-	-	2,788,609
Sales	36,782	-	-	-	36,782
Total Revenues	28,160,427	-	-	-	28,160,427
EXPENDITURES\EXPENSES					
General support	2,595,188	-	(130,226)	-	2,464,962
Instruction	11,649,270	35,142	(13,638)	-	11,670,774
Pupil transportation	1,885,225	-	(241,422)	-	1,643,803
Community services	3,509	-	-	-	3,509
Employee benefits	6,124,386	5,884,762	-	-	12,009,148
Debt service-Principal	1,528,022	-	-	(1,528,022)	-
-Interest	880,444	(25,247)	-	-	855,197
Cost of sales	542,530	-	-	-	542,530
Capital outlay	566,921	-	(566,921)	-	-
Depreciation	-	-	1,355,468	-	1,355,468
Total Expenditures	25,775,495	5,894,657	403,261	(1,528,022)	30,545,391
Excess (Deficiency) of Revenues Over Expenditures	2,384,932	(5,894,657)	(403,261)	1,528,022	(2,384,964)
OTHER SOURCES AND USES					
Bond anticipation notes redeemed	161,009	-	-	(161,009)	-
Operating transfers in	3,136,646	(3,136,646)	-	-	-
Operating transfers (out)	(3,136,646)	3,136,646	-	-	-
Total Other Sources (Uses)	161,009	-	-	(161,009)	-
Net Change for the Year	$ 2,545,941	$ (5,894,657)	$ (403,261)	$ 1,367,013	$ (2,384,964)

See auditor's report. See notes to financial statements.

SCHOHARIE CENTRAL SCHOOL DISTRICT
BALANCE SHEET- GOVERNMENTAL FUNDS
June 30, 2022

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Unrestricted cash	$ 1,756,193	$ 243,633	$ -	$ -	$ 3,622,622	$ 5,622,448
Restricted cash	4,371,375	-	-	-	-	4,371,375
Other receivables, net	4,779	-	-	-	-	4,779
State and federal aid receivable	496,431	1,267,619	122,502	-	-	1,886,552
Due from other governments	834,050	-	-	-	-	834,050
Inventories	-	-	14,590	-	-	14,590
Due from other funds	1,923,505	6,998	8,034	136,924	-	2,075,461
Total Assets	$ 9,386,333	$ 1,518,250	$ 145,126	$ 136,924	$ 3,622,622	$ 14,809,255
LIABILITIES						
Accounts payable	$ 1,880	$ -	$ 50,757	$ -	$ -	$ 52,637
Accrued liabilities	67,050	-	-	-	-	67,050
Payroll liabilities	65,501	-	-	-	-	65,501
Bond anticipation notes payable	-	-	-	-	155,518	155,518
Due to other funds	171,503	1,112,985	11,977	-	788,801	2,085,266
Due to teachers' retirement system	770,966	-	-	-	-	770,966
Due to employees' retirement system	84,368	-	-	-	-	84,368
Due to other governments	-	1,270	87	-	-	1,357
Unearned revenues	-	20,182	3,128	-	-	23,310
Overpayments	13	-	-	-	-	13
Total Liabilities	1,161,281	1,134,437	65,949	-	944,319	3,305,986
FUND BALANCES						
Non-spendable	-	-	14,590	-	-	14,590
Restricted	4,371,375	383,813	-	136,924	905,563	5,797,675
Assigned	1,597,302	-	64,587	-	1,772,740	3,434,629
Unassigned	2,256,375	-	-	-	-	2,256,375
Total Fund Balances	8,225,052	383,813	79,177	136,924	2,678,303	11,503,269
Total Liabilities and Fund Balances	$ 9,386,333	$ 1,518,250	$ 145,126	$ 136,924	$ 3,622,622	$ 14,809,255

See auditor's report. See notes to financial statements.

SCHOHARIE CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
For Year Ended June 30, 2022

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	$ 7,413,253	$ -	$ -	$ -	$ -	$ 7,413,253
Other tax items	3,191,800	-	-	-	-	3,191,800
Charges for services	143,595	-	-	-	-	143,595
Use of money and property	22,192	-	57		-	22,249
Sale of property and compensation for loss	50,672	-	-	-	-	50,672
Miscellaneous	719,355	-	669	-	-	720,024
State sources	13,216,503	410,288	166,652	-	-	13,793,443
Federal sources	230,648	2,121,945	436,016	-	-	2,788,609
Sales	-	-	36,782	-	-	36,782
Total Revenues	24,988,018	2,532,233	640,176	-	-	28,160,427
EXPENDITURES						
General support	2,595,188	-	-	-	-	2,595,188
Instruction	9,494,719	2,154,551	-	-	-	11,649,270
Pupil transportation	1,858,710	26,515	-	-	-	1,885,225
Community services	3,509	-	-	-	-	3,509
Employee benefits	6,050,917	-	73,469	-	-	6,124,386
Debt service						
Principal	1,528,022	-	-	-	-	1,528,022
Interest	880,444	-	-	-	-	880,444
Cost of sales	-	-	542,530	-	-	542,530
Capital outlay	-	-	-	-	566,921	566,921
Total Expenditures	22,411,509	2,181,066	615,999	-	566,921	25,775,495
Excess (Deficiency) of Revenues Over Expenditures	2,576,509	351,167	24,177	-	(566,921)	2,384,932
OTHER FINANCING SOURCES AND USES						
Bond anticipation notes redeemed	-	-	-	-	161,009	161,009
Operating transfers in	-	32,646	54,000	-	3,050,000	3,136,646
Operating transfers (out)	(3,136,646)	-	-	-	-	(3,136,646)
Total Other Financing Sources (Uses)	(3,136,646)	32,646	54,000	-	3,211,009	161,009
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(560,137)	383,813	78,177	-	2,644,088	2,545,941
Fund Balance - Beginning of year	8,785,189	-	1,000	136,924	34,215	8,957,328
Fund Balance - End of year	$ 8,225,052	$ 383,813	$ 79,177	$ 136,924	$ 2,678,303	$ 11,503,269

See auditor's report. See notes to financial statements.

SCHOHARIE CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

	Private Purpose Trusts	Custodial Funds	Extraclassroom Activity Fund
ASSETS			
Unrestricted cash	$ -	$ 41,969	$ 43,660
Restricted cash	132,704	-	-
Due from governmental funds	-	19,912	-
Total Assets	$ 132,704	$ 61,881	$ 43,660
LIABILITIES			
Other liabilities	-	-	-
Due to governmental funds	-	10,107	-
Total Liabilities	-	10,107	-
NET POSITION			
Reserved for scholarships	$ 132,704	-	-
Individuals, Organizations and Other governments	-	51,774	43,660
Total Net Position	$ 132,704	$ 51,774	$ 43,660

See auditor's report. See notes to financial statements.

SCHOHARIE CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For Year Ended June 30, 2022

	Private Purpose Trusts	Custodial Funds	Extraclassroom Activity Fund
ADDITIONS			
Contributions	$ 87,787	$ -	$ -
Interest	16	-	-
Unclassified	-	51,465	79,028
Total Additions	87,803	51,465	79,028
DEDUCTIONS			
Scholarships and awards	504		-
Other custodial activities	-	100,831	74,179
Total Deductions	504	100,831	74,179
Net Increase (Decrease) in Fiduciary Net Position	87,299	(49,366)	4,849
Net Position - Beginning of year	45,405	101,140	38,811
Net Position - End of year	$ 132,704	$ 51,774	$ 43,660

See auditor's report. See notes to financial statements.

I. Summary of Significant Accounting Policies

The financial statements of the Schoharie Central School District have been prepared in conformity with generally accepted accounting principles (GAAP). Those principles are as prescribed by the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

The Schoharie Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

The Extraclassroom Activity Funds

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

I. Summary of Significant Accounting Policies (Continued)

B. Joint Venture

The Schoharie Central School District is a component school district in the Capital Region 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 (Section 1950(6)). In addition, BOCES Boards 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 costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

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 their 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.

During the year ended June 30, 2022, the Schoharie Central School District was billed $2,188,082 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to $1,067,369. Financial statements for the BOCES Aid are available from the BOCES administrative office.

C. Basis of Presentation

1. Districtwide Statements

The Districtwide 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.

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

1. Districtwide Statements (Continued)

State Aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

2. Fund Financial Statements

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

The District reports the following funds:

a. **Major Governmental Funds**

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

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

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

2. Fund Financial Statements (Continued)

a. **Major Governmental Funds (Continued)**

(3) **School Lunch Fund** – Used to account for transactions of the District's lunch and breakfast programs.

(4) **Debt Service Fund** – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

(5) **Capital Projects Fund** – This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

b. **Fiduciary Funds**

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the districtwide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

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

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

I. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting

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

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

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

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

E. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

I. Summary of Significant Accounting Policies (Continued)

F. Property Taxes

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

Uncollected real property taxes are subsequently enforced by the Counties of Schoharie, Albany, Montgomery and Schenectady. An amount representing uncollected real property taxes is transmitted to the Counties for enforcement and is paid by the Counties to the District no later than the forthcoming April 1.

G. Restricted Resources

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

H. Interfund Transactions

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

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

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

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

I. Summary of Significant Accounting Policies (Continued)

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

J. Receivables

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

K. Inventories and Prepaid Items

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

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

L. Other Assets/Restricted Assets

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

I. Summary of Significant Accounting Policies (Continued)

L. Other Assets/Restricted Assets (Continued)

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

M. Capital Assets

Capital assets are reflected in the districtwide financial statements. Capital assets are reported at historical cost or estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets, except land, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds and estimated useful lives of capital assets reported in the districtwide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Land	$ 1,000	N/A
Buildings and Improvements	$ 1,000	20-50
Furniture and Equipment	$ 1,000	5-8

N. Compensated Absences

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

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

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

I. Summary of Significant Accounting Policies (Continued)

N. Compensated Absences (Continued)

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vested method and an accrual for that liability is included in the Districtwide 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 resources. These amounts are expensed on a pay-as-you-go basis.

O. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the districtwide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full of current financial resources.

Claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

P. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category. The first item represents the effect of the net change in the District's proportion of the collective net pension asset or liability and the difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the districtwide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

I. Summary of Significant Accounting Policies (Continued)

Q. Deferred Inflows of Resources

Deferred inflows of resources represent 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 Districtwide Statement of Net Position. This represents the effect of net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense, and the net difference between projected and actual earnings on pension plan investments. The second item is related to OPEB reported in the districtwide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

R. Unearned Revenue

Unearned revenues 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 or when charges for service monies are received in advance from payers prior to the services being rendered by the District. These amounts are recorded as liabilities in the financial statements. The liabilities are removed, and revenues are recognized in subsequent periods when the District has legal claim to the resources.

S. Other Benefits

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

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

I. Summary of Significant Accounting Policies (Continued)

T. Short-Term Debt

The School District may issue Revenue and Tax Anticipation Notes in anticipation of 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 revenue anticipation and tax anticipation notes represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

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

U. Equity Classifications

1. Districtwide Statements

In the districtwide 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 improvement of those assets.

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

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

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund. The District had a School Lunch inventory at June 30, 2022 of $14,590.

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:

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

2. Unemployment Insurance
This reserve is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

3. Employee Benefit Accrued Liability
This reserve is used to set aside funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

4. Employee Retirement Contributions
This reserve is used for future employee's retirement and teacher's retirement obligations. 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.

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

6. Insurance
The School District is insured through a cooperative self-insurance plan for workers' compensation, unemployment insurance, liability, casualty, and other types of losses for which the following types of insurance may not be purchased: workers' compensation, unemployment, life, annuities, accident and health, fidelity and surety, credit, title and residual value. The reserve is funded annually through budgetary provisions in the General Fund. Such reserve is recorded in the General Fund and, in the opinion of management, is adequate to fund the eventual loss on claims arising prior to yearend.

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

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

8. Property Loss and Liability
This reserve is used to pay for property loss and liability claims incurred. Separate property loss and liability claims are required and these reserves may not exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve may be utilized only by school districts, except city school districts with a population greater than 125,000. This reserve is accounted for in the General Fund.

9. Repair
This reserve is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund tbis reserve. Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Restricted fund balance includes the following:

General Fund:		
Employee Benefit Accrued Liability	$	684,341
Unemployment Insurance		50,000
Repair		200,000
Capital-Buses		310,445
Employee Retirement Contributions		1,865,904
Teachers Retirement Contributions		446,685
Workers' Compensation		150,000
Property Loss		150,000
Liability		150,000
Insurance		364,000
Special Aid Fund		383,813
Debt Service Fund		136,924
Capital Fund		905,563
Total restricted funds	$	5,797,675

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making, the Board of Education. The School District has no committed fund balances as of June 30, 2022.

Assigned – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as **Assigned Fund Balance** in the General Fund. Encumbrances reported in the General Fund amounted to $97,302 and the assigned fund balance amounted to $1,500,000.

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

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

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

V. New Accounting Standards

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

GASB has issued Statement 87, Leases, effective for the year ending June 30, 2022.

W. Future Changes in Accounting Standards

GASB has issued Statement 91, Conduit Debt Obligations, effective for the year ending June 30, 2023.

GASB has issued Statement 93, Replacement of Interbank Offered Rates, effective dates vary based on specific paragraphs of the statement from the year ending June 30, 2022, 2022 and 2023.

GASB has issued Statement 96, Subscription-based Information technology Arrangements, effective for the year ending June 30, 2023.

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

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements

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

1. 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.

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

   Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

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

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

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

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements (Continued)

2. Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities (Continued):

   d. 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.

The costs of building and acquiring capital assets (land, buildings, and equipment) financed from 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, and their original costs are expensed annually of their useful lives.

Original cost of capital assets	$54,427,947
Accumulated depreciation	21,805,172
Capital assets, net	$32,622,775

Long-term liabilities are reported in the Statement 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:

Bonds payable	$15,345,000
OPEB obligations	$88,677,676
Compensated Absences	$ 684,341

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. Depreciation of $1,355,468 was more than capital expenditures of $952,207 in the current year.

Repayment of bond principal of $1,367,013 is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Interest on long-term debt and short-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest reported in the Statement of Activities decreased by $25,247.

III. Cash and Investments

A. Deposits

The Schoharie Central School District's investment policies are governed by State statutes. The Schoharie Central School District's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are: obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that in an event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

A. Uncollateralized
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

Deposits and investments at year end were entirely covered by Federal Deposit Insurance or by collateral held by the School District's custodial bank in the School District's name.

B. Investment Pool

The Schoharie Central School District participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2022, the School District, held $2,076,104 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid and considered to be cash equivalents. The investment pool is categorically exempt from the New York State collateralization requirements.

IV. Interfund Transaction

Interfund balances at June 30, 2022 are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 1,923,505	$ 171,503	$ -	$ 3,136,646
Special Aid Fund	6,998	1,112,985	32,646	-
School Lunch Fund	8,034	11,977	54,000	-
Capital Fund	-	788,801	3,050,000	-
Debt Service Fund	136,924	-	-	-
Total governmental activities	2,075,461	2,085,266	$ 3,136,646	$ 3,136,646
Fiduciary Custodial Funds	19,912	10,107		
Totals	$ 2,095,373	$ 2,095,373		

The District typically transfers from the General Fund to the Special Aid Fund to pay its' share of the Summer Handicapped Program.

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

V. Capital Assets

A summary of changes in general fixed assets follows:

	Balance 7/1/2021	Additions	Deletions	Balance 6/30/2022
Capital assets-not depreciated:				
Land	$ 7,889	$ -	$ -	7,889
Construction in progress	19,674,405	566,921	1,247,207	18,994,119
Total capital assets-not depreciated:	19,682,294	566,921	1,247,207	19,002,008
Other capital assets:				
Buildings and improvements	25,036,769	1,307,916	-	26,344,685
Machinery and equipment	8,756,677	324,577	-	9,081,254
Total other capital assets:	33,793,446	1,632,493	-	35,425,939
Less accumulated depreciation:				
Buildings and improvements	14,039,872	672,986	-	14,712,858
Machinery and equipment	6,409,832	682,482	-	7,092,314
Total accumulated depreciation	20,449,704	1,355,468	-	21,805,172
Other capital assets, net	13,343,742	277,025	-	13,620,767
Total	$ 33,026,036	$ 843,946	$ 1,247,207	$ 32,622,775

Depreciation expense for the period was shown as unallocated in the Statement of Activities.

VI. Pension Plans

1. General Information

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

2. Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)
The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Puhlic Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. 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.

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 a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

VI. Pension Plans (Continued)

Funding Policies:

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier 6 vary based on a sliding salary scale. For 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
2022	$400,553	$687,209
2021	$356,520	$715,889
2020	$351,791	$789,379

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

At June 30, 2022, the District reported the following asset/liability for its proportionate share of the net pension asset /liability for each of the Systems. The net pension asset/liability was measured as of March 31, 2022 for ERS and June 30, 2020 for TRS. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation. The District's proportion of the net pension asset/liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	1-Apr-21	30-Jun-22
Net pension liability/(asset)	($630,347)	$6,824,477
District's portion of the Plan's total net pension liability/asset	.0077111%	.039382%
Change in proportion since the prior measurement date	(.000303%)	(.004708%)

VI. Pension Plans (Continued)

For the year ended June 30, 2022, the District's recognized pension expense of $54,119 for ERS and ($342,328) for TRS. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resource		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$47,737	$940,682	$61,918	$35,456
Changes of assumptions	1,051,978	2,244,713	17,751	397,506
Net difference between projected and actual earnings on pension plan investments	0	0	2,064,122	7,142,522
Changes in proportion and differences between the District's contributions and proportionate share of contributions	74,184	257,403	28,780	9,159
District's contributions subsequent to the measurement date	84,368	710,520	0	0
Total	$1,258,267	$4,153,318	$2,172,571	$7,584,643

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 of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2022	$ -	$ (832,041)
2023	($140,025)	(980,856)
2024	($218,225)	(1,252,816)
2025	($530,803)	(1,676,906)
2026	($109,617)	353,309
Thereafter	$ -	247,467

VI. Pension Plans (Continued)

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.9%	6.95%
Salary scale	4.40%	1.95%-5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.5%	2.40%

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

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

VI. Pension Plans (Continued)

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

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Asset Type	%	%
Domestic Equities	32%	33%
International Equities	15%	16%
Global equities	0%	4%
Private Equity	10%	8%
Real Estate Equity	9%	11%
Domestic fixed income securities	23%	16%
Global bonds	0%	2%
Private debt	4%	1%
Absolute return strategies	3%	0%
Real estate debt	0%	7%
Cash Equivalents	1%	1%
High yield fixed income securities	0%	1%
Real assets	3%	0%

5. Discount Rate

The discount rate used to calculate the total pension liability was 5.90 % for ERS and 6.95 % for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. 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.

VI. Pension Plans (Continued)

6. Sensitivity of the Proportionate Share of Net Pension Asset/Liability to the Discount Rate Assumption

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share Of the net pension (asset) liability	$1,622,506	($630,347)	($2,514,749)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share Of the net pension (asset) liability	($716,129)	($6,824,477)	($11,958,100)

7. 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
Measurement date	March 31, 2022	June 30, 2021
Employers' total pension liability	$ 223,874,888	$ 130,819,415,417
Plan Fiduciary Net Position	232,049,473	148,148,457,363
Employers' net pension liability/(asset)	(8,174,585)	(17,329,041,946)
Plan fiduciary net position as a percentage of total pension (asset)/liability	103.6500%	113.2000%

VI. Pension Plans (Continued)

8. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $84,368.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2018 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $770,966.

VII. Short-Term Debt Obligations

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

	Maturity	Interest Rate	Balance 7/1/2021	Issued	Redeemed	Balance 6/30/22
BAN	2022	1.00%	$ 316,527	$ -	$ 316,527	$ -
BAN	2022	.43%	-	155,518	-	155,518
			$316,527	$ 155,518	$316,527	$ 155,518

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

Interest paid	$3,165
Less interest accrued in the prior year	(2,453)
Plus, interest accrued in the current year	513
Total expense	$1,225

VIII. Long-Term Debt Obligations

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

1. Long-Term Debt Interest

Interest paid	$877,275
Less interest accrued in the prior year	(54,535)
Plus, interest accrued in the current year	31,228
Total expense	$853,968

2. Changes

	Balance 7/1/2021	Additions	Deletions	Balance 6/30/2022	Due Within One Year
Serial Bonds	$ 16,465,000	$ -	$ 1,120,000	$ 15,345,000	$ 1,185,000
Operating Leases	247,013	-	247,013	-	$ -
Compensated Absences	649,199	35,142	-	684,341	
OPEB Obligations	108,159,618	-	19,481,942	88,677,676	
Net Pension Liability-Proportionate Share	1,226,293	-	1,226,293	-	
Totals	$ 126,747,123	$ 35,142	$ 22,075,248	$ 104,707,017	

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

3. Maturity

a. The following is a summary of the debt issued:

Purpose	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2022
Serial Bonds:				
Advanced refunding	2017	2025	1-4%	$ 455,000
Construction	2014	2028	2-3%	860,000
Construction	2016	2031	2-5%	1,100,000
Construction	2021	2035	4-5%	12,930,000
Total				$ 15,345,000

VIII. Long-Term Debt Obligations (Continued)

b. The following is a summary of maturing principal debt service requirements:

Year	Principal	Interest	Total
2023	$ 1,185,000	$ 656,063	$ 1,841,063
2024	1,225,000	615,862	1,840,862
2025	1,170,000	575,313	1,745,313
2026	1,115,000	535,112	1,650,112
2027	1,165,000	486,013	1,651,013
2028 and thereafter	9,485,000	1,941,675	11,426,675
Total	$ 15,345,000	$ 4,810,038	$ 20,155,038

Prior-Year Defeasance of Debt

In prior years, certain general obligation bonds were defeased 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 liability for the defeased bonds and the trust account assets are not included in the financial statements.

IX. Postemployment (Health Insurance) Benefits

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

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

Inactive members or beneficiaries currently receiving benefit payments	180
Inactive members entitled to but not yet receiving benefit payments	-
Active members	174
Total membership	354

B. Total OPEB Liability

The District's total OPEB liability of $88,677,676 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs- The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

IX. Postemployment (Health Insurance) Benefits (Continued)

B. Total OPEB Liability (Continued)

Inflation	2.5%
Salary Increases	vary by pension retirement system membership
Discount Rate	3.54%
Healthcare Cost Trend Rates	5.7% for 2021, decreasing to an ultimate rate of 4.04% for 2075

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

Mortality rates were based on the PUB-2010 Headcount-Weighted Table projected fully generationally using MP-2020.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

C. Changes in the Total OPEB Liability

Balance at June 30, 2021	$108,159,618
Changes for the Year	
Service cost	4,462,848
Interest	2,408,413
Changes of benefit terms	-
Differences between expected and actual experience	(134,832)
Changes in assumptions or other inputs	(23,962,624)
Benefit payments	(2,255,747)
Net Changes	(19,481,942)
Balance at June 30, 2022	$ 88,677,676

IX. Postemployment (Health Insurance) Benefits (Continued)

C. Changes in the Total OPEB Liability (Continued)

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

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 1percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	(2.54%) 1% Decrease	Current Discount Rate (3.54%)	(4.54%) 1% Increase
Total OPEB Liability	$105,220,714	$88,677,676	$75,606,740

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	$73,167,825	$88,677,676	$109,046,953

IX. Postemployment (Health Insurance) Benefits (Continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of $7,244,833. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,018,793	($244,298)
Changes of assumptions or other inputs	17,371,599	(20,638,648)
Total	$19,390,392	($20,882,946)

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
2023	$2,634,319
2024	2,846,093
2025	198,475
2026	(3,155,200)
2027	(4,016,241)
2028 and thereafter	-

X. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

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

The District does not purchase insurance for the risk of losses for unemployment claims. Instead, the District manages its risks for these losses internally and accounts for these in the District's General Fund, including provisions for unexpected and unusual claims.

2. Workers' Compensation Insurance

The School District participates in the Schoharie Area Workers' Compensation Plan, a risk sharing pool of thirteen area school districts formed by a trust agreement, to fund the cost of workers' compensation coverage through a group self-insurance program.

3. Health Insurance Plan

The School District's active and retired employees are enrolled in health and medical insurance coverage offered by Blue Shield of Northeastern New York (BSNENY). Two plans are available: Par Plus, and a PPO (preferred provider option). Additionally, the District self-funds the cost of medical prescriptions through a PBM (pharmacy benefit manager), which is ESI (Express Scripts, Inc.).

XI. Tax Abatements

The County of Schoharie enters into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by approximately $2,300,000. The District received payments in Lieu of Tax (PILOT) payment totaling $1,956,012.

XII. Other Disclosures

A. Summary of Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

Total governmental fund balance	$ 11,503,269
Capital assets (net)	32,622,775
Net pension asset- proportionate share	7,454,824
Deferred outflows of resources	24,801,977
Bonds payable	(15,345,000)
Accrued interest payable	(31,741)
Deferred inflows of resources	(30,640,160)
Compensated absences	(684,341)
OPEB obligations	(88,677,676)
Total net position	$ (58,996,073)

XII. Other Disclosures (Continued)

B. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

Net changes in fund balance – total governmental funds	$2,545,941
Capital outlays are expenditures in governmental funds, but are capitalized in the Statement of Net Position	952,207
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the Statement of Activities	(1,355,468)
Repayments of Long-term Debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the Statement of Net Position	1,528,022
Proceeds from debt are recognized as revenue in the governmental funds but not in the Statement of Activities.	(161,009)
Interest is recognized as an expense in governmental funds when paid. For governmental activities, interest expense is recognized as it accrues. The decrease in accrued interest during 2021/22 results in less expense.	25,247
(Increases) Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as revenues or expenditures in the governmental funds:	
Teachers' Retirement System	1,048,198
Employees' Retirement System	311,873
Certain expenses in the Statement of Activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
OPEB obligations	(7,244,833)
Compensated absences	(35,142)
Change in Net Position – Governmental Activities	($2,384,964)

XIII. Stewardship, Compliance and Accountability

A. Budgetary Procedures and Budgetary Accounting

1. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

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

The General Fund budget was increased to reflect receipt of an insurance recovery in the amount of $9,274, to reflect the Board approved use of the reserves in the amount of $3,050,000 and to reflect carryover encumbrances in the amount of $399,877.

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

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

Special Aid Fund and School Lunch Fund have not been included because they do not have legally authorized budgets.

XIII. Stewardship, Compliance and Accountability (Continued)

A. Budgetary Procedures and Budgetary Accounting (Continued)

2. Encumbrances

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

3. Section 1318 of Real Property Tax Law establishes the maximum unassigned fund balance that can be retained by a school district. The current law limits this amount to 4% of the ensuing year's budget. The District's financial statements for the year ended June 30, 2022, indicate that the unassigned fund balance is in excess of the legal limit.

XIV. Subsequent Events

There were no significant subsequent events to report from the period July 1, 2022 to September 20, 2022.

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES COMPARED TO BUDGET- GENERAL FUND
For Year Ended June 30, 2022

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real property taxes	$ 7,374,273	$ 7,374,273	$ 7,413,253	$ 38,980
Other tax items	3,234,195	3,234,195	3,191,800	(42,395)
Charges for services	27,000	27,000	143,595	116,595
Use of money and property	20,000	20,000	22,192	2,192
Sale of property and compensation for loss	25,750	35,024	50,672	15,648
Miscellaneous	225,000	225,000	719,355	494,355
Total Local Sources	10,906,218	10,915,492	11,540,867	625,375
State Sources	12,998,068	12,998,068	13,216,503	218,435
Federal Sources	75,000	75,000	230,648	155,648
Total Revenues	23,979,286	23,988,560	24,988,018	999,458
Other Financing Sources				
Operating transfers in	-	-	-	-
Total Revenues and Other Financing Sources	23,979,286	23,988,560	24,988,018	$ 999,458
Appropriated Fund Balance	1,500,000	1,500,000		
Appropriated Reserves	-	3,449,877		
Total Revenues, Appropriated Fund Balance and Reserves	$ 25,479,286	$ 28,938,437		

See paragraph on required supplementary information included in auditor's report.

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES, OTHER USES AND ENCUMBRANCES COMPARED TO BUDGET-
GENERAL FUND
For Year Ended June 30, 2022

	Original Budget	Revised Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of education	$ 27,369	$ 27,369	$ 24,948	$ 600	$ 1,821
Central administration	234,647	247,978	231,407	-	16,571
Finance	379,600	400,652	363,107	12,060	25,485
Staff	175,300	158,176	132,840	11,671	13,665
Central services	1,674,666	1,775,699	1,635,442	43,843	96,414
Special items	214,500	211,431	207,444	-	3,987
Total General Support	2,706,082	2,821,305	2,595,188	68,174	157,943
Instructional					
Instruction, administration and improvement	543,517	557,092	502,689	9,901	44,502
Teaching - regular school	5,672,877	5,435,853	4,901,889	4,983	528,981
Programs for children with handicapping conditions	2,791,400	2,805,533	2,209,215	5,244	591,074
Occupational education	526,000	535,730	535,730	-	-
Teaching - special school	52,500	109,767	57,844	-	51,923
Instructional media	774,701	773,462	524,816	-	248,646
Pupil services	947,789	931,364	762,536	9,000	159,828
Total Instructional	11,308,784	11,148,801	9,494,719	29,128	1,624,954
Pupil transportation	1,574,400	1,977,536	1,858,710	-	118,826
Community services	3,492	3,509	3,509	-	-
Employee benefits	7,123,473	7,122,705	6,050,917	-	1,071,788
Debt service					
Principal	1,903,026	1,673,026	1,528,022	-	145,004
Interest	657,029	887,029	880,444	-	6,585
Total Expenditures	25,276,286	25,633,911	22,411,509	97,302	3,125,100
OTHER FINANCING USES					
Operating transfers out	203,000	3,304,526	3,136,646	-	167,880
Total Expenditures and Other Financing Uses	$ 25,479,286	$ 28,938,437	25,548,155	$ 97,302	$ 3,292,980
Net change in fund balance			(560,137)		
Fund balance- Beginning			8,785,189		
Fund balance- Eoding			$ 8,225,052		

See paragraph on required supplementary information included in auditor's report.

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
For Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost at end of year	$ 4,462,848	$ 4,105,531	$ 2,655,790	$ 1,574,280	$ 1,635,011
Interest	2,408,413	2,250,255	2,705,609	2,197,760	2,019,699
Changes of benefit terms	-	-		-	-
Difference between expected and actual experience	(134,832)	(197,908)	49,061	5,982,791	-
Changes of assumptions or other inputs	(23,962,624)	5,364,151	20,073,002	11,276,984	(2,873,715)
Benefit payments	(2,255,747)	(2,145,004)	(2,002,710)	(1,865,001)	(2,116,260)
Net change in Total OPEB Liability	(19,481,942)	9,377,025	23,476,752	19,166,814	(1,335,265)
Total OPEB Liability- beginning	108,159,618	98,782,593	75,305,841	56,139,027	57,474,292
Total OPEB Liability- ending	$ 88,677,676	$ 108,159,618	$ 98,782,593	$ 75,305,841	$ 56,139,027
Covered-employee payroll	9,774,732	9,733,067	9,190,693	8,791,163	10,052,971
Total OPEB Liability as a percentage of covered-employee payroll	907.20%	1111.30%	1074.80%	856.60%	558.40%

See paragraph on required supplementary information included in auditor's report

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
June 30, 2021

Teachers' Retirement System

	2022	2021	2020	2019	2018	2017	2016
District 's proportion of the net pension asset/liability	.039382%	.04409%	.0445%	.0459%	.0468%	.0472%	.0466%
District's proportionate share of the net pension (asset)/liability	$ (6,824,477)	$ 1,218,313	$ (1,156,919)	$ (830,882)	$ (355,770)	$ 506,458	$ (4,839,896)
District's covered-employee payroll	$ 7,250,202	$ 6,881,310	$ 7,648,382	$ 7,651,567	$ 7,493,705	$ 7,553,018	$ 8,229,550
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	94.13%	17.70%	15.00%	11.00%	5.00%	7.00%	59.00%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016
District 's proportion of the net pension liability	.0077111%	.0080141%	.0081%	.0080%	.0080%	.0077%	.0073%
District's proportionate share of the net pension liability/(asset)	$ (630,347)	$ 7,980	$ 2,142,232	$ 566,296	$ 259,637	$ 725,065	$ 1,186,644
District's covered-employee payroll	$ 2,754,581	$ 2,509,899	$ 2,458,634	$ 2,497,516	$ 2,372,107	$ 2,229,610	$ 2,219,998
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	22.88%	0.32%	87.00%	23.00%	11.00%	33.00%	53.00%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

See paragraph on required supplementary information included in auditor's report.

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
June 30, 2022

Teachers' Retirement System

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 710,520	$ 637,018	$ 789,379	$ 733,491	$ 869,293	$ 967,552	$ 1,227,001
Contributions in relation to the contractually required contribution	710,520	637,018	789,379	733,491	869,293	967,552	1,227,001
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 7,250,202	$ 6,881,310	$ 7,648,382	$ 7,651,567	$ 7,493,705	$ 7,553,018	$ 8,229,550
Contributions as a percentage of covered employee payroll	9.80%	9.26%	10.32%	9.59%	11.60%	12.8%	14.91%

Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 400,553	$ 356,520	$ 351,791	$ 338,643	$ 326,335	$ 321,424	$ 366,730
Contributions in relation to the contractually required contribution	400,553	356,520	351,791	338,643	326,335	321,424	366,730
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,754,581	$ 2,509,899	$ 2,458,634	$ 2,497,518	$ 2,372,107	$ 2,229,610	$ 2,219,998
Contributions as a percentage of covered employee payroll	14.54%	14.20%	14.31%	13.56%	13.76%	14.42%	16.52%

See paragraph on required supplementary information included in auditor's report.

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET AND REAL PROPERTY TAX LAW LIMIT
For Year Ended June 30, 2022

CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET

Original Budget		$ 25,479,286
Additions:		
Insurance recovery	$ 9,274	
Board approved use of reserves	3,050,000	
Prior year's encumbrances	399,877	3,459,151
Final Budget		$ 28,938,437

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 Voter-approved Expenditure Budget		$ 25,895,704
Maximum allowed (4% of 2022-2023 Budget)		$ 1,035,828
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Committed fund balance	$ -	
Assigned fund balance	1,597,302	
Unassigned fund balance	2,256,375	
Total unrestricted fund balance	$ 3,853,677	
Less:		
Appropriated fund balance	1,500,000	
Encumbrances included in committed and assigned fund balance	97,302	
Total adjustments	$ 1,597,302	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,256,375
Actual percentage		8.70%

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

See paragraph on required supplementary information included in auditor's report.

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
For Year Ended June 30, 2022

			Expenditures				Methods of Financing				
PROJECT TITLE	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Sources	Local Sources	Total	Fund Balance June 30, 2022
Buses	$ 3,660,607	$ 3,660,607	$ 3,262,607	$ -	$ 3,262,607	$ 398,000	$ 2,335,736	$ -	$ 771,353	$ 3,107,089	$ (155,518)
High School Renovations	18,642,000	18,642,000	18,124,732	-	18,124,732	517,268	13,480,000	-	4,995,474	18,475,474	350,742
High School Gym Renovations	1,675,000	1,675,000	302,465	467,501	769,966	905,034	-	-	302,465	302,465	(467,501)
Paving	550,000	550,000	-	-	-	550,000	-	-	550,000	550,000	550,000
Districtwide-2022	25,900,000	25,900,000	-	99,420	99,420	25,800,580	-	-	2,500,000	2,500,000	2,400,580
	$ 50,427,607	$ 50,427,607	$ 21,689,804	$ 566,921	$ 22,256,725	$ 28,170,882	$ 15,815,736	$ -	$ 9,119,292	$ 24,935,028	$ 2,678,303

See paragraph on required supplementary information included in auditor's report.

SCHOHARIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2022

Capital assets, net		$ 32,622,775
Deduct:		
Bond anticipation notes payable	$ 155,518	
Short-term portion of bonds payable	1,185,000	
Long-term portion of bonds payable	14,160,000	
less: unspent portion of bonds	(350,742)	15,149,776
Net investment in capital assets		$ 17,472,999

See paragraph on required supplementary information included in auditor's report.

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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 of the
Schoharie Central School District:

We have audited, 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, the financial statements of the governmental activities, each major fund and the fiduciary funds of the Schoharie Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements and have issued our report thereon dated September 20, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Raymond G. Preusser, CPA, P.C.

Claverack, New York
September 20, 2022

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To the Board of Education of the
Schoharie Central School District:

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the fiduciary funds of the Schoharie Central School District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Schoharie Central School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Schoharie Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Schoharie Central School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

During our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 20, 2022 on the financial statements of the Schoharie Central School District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

Other Matters:

Information Technology

During our review of the Information Technology procedures and controls, we noted that the District did not have a Disaster Recovery Plan in place. A written plan should be established in the event of computer disasters. This plan should be provided to all critical employees so that they know how to proceed with operations.

Fund Balance

Section 1318 of Real Property Tax Law establishes the maximum unassigned fund balance that can be retained by a school district. The current law limits this amount to 4% of the ensuing year's budget. The District's financial statements for the year ended June 30, 2022, indicate that the unassigned fund balance is in excess of the legal limit.

We recommend that the District formulate a plan to control or use the excess fund balance.

This communication is intended solely for the information and use of the Board of Education, management, the audit committee, the New York State Education Department and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the Business Office personnel for their courtesies received during the course of our audit.

Very truly yours,
RAYMOND G. PREUSSER, CPA, P.C.

Scott R. Preusser

Scott R. Preusser