OFFICIAL STATEMENT DATED JUNE 14, 2022

NEW/RENEWAL ISSUE | **BOND ANTICIPATION NOTES**
S&P Short Term Rating Pending

In the opinion of Bond Counsel, under the existing statutes, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes, and, under the existing statutes, interest on the Notes is exempt from New York State and New York City personal income taxes. In the opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of Federal alternative minimum tax. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. See "Tax Exemption" herein.

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

CHATEAUGAY CENTRAL SCHOOL DISTRICT
FRANKLIN COUNTY, NEW YORK

$3,980,000 Bond Anticipation Notes, 2022

At an Interest Rate of 5.00% to Yield 2.00%
CUSIP # 161789 FL1

Dated: June 23, 2022 | **Due: June 23, 2023**

The Notes are general obligations of the Chateaugay Central School District, Franklin County, New York, all the taxable real property within which is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. See “Nature of the Obligation” and “TAX LEVY LIMITATION LAW” herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

The Notes will be issued as registered notes payable to the Purchaser(s) or registered in the names of Cede & Co. as nominee of the Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes.

The Notes are issued in registered in book-entry form. The Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, and payment of principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in “street name”. Payment will be the responsibility of such DTC Direct Participants, subject to any statutory and regulatory requirements as may be in the 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 an unqualified legal opinion as to the validity of the Notes of Timothy R. McGill, Esq., Fairport, New York. It is anticipated that the Notes will be available for delivery on or about June 23, 2022.

BNY MELLON CAPITAL MARKETS, LLC

The School District is unable to identify and state herein all of the direct or indirect effects, if any, of the COVID-19 pandemic on the School District or on the fair market value, at any time, of the Bonds.

THIS REVISED OFFICIAL STATEMENT SUPPLIMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED JUNE 7, 2022 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISION RULE 15c2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE, THE “RATING” SECTION, AND THE DATED DATE ON PAGE 39, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

DATED: June 14, 2022

CHATEAUGAY CENTRAL SCHOOL DISTRICT
FRANKLIN COUNTY, NEW YORK

School District Officials

2021-22 BOARD OF EDUCATION

Lori Green - President
Courtney Leonard - Vice President

Valarie Dalton
William (Bill) Harrigan
Ryan LaBare
Tony Martin
Jennifer Stansberry

Loretta Fowler – Superintendent/Business Adminstrator
Jason Brockway – Business Manager
Jackie Cowan Treasurer
Mary Legacy – School District Clerk

School District Attorney

Ferrara Fiorenza PC

BOND COUNSEL

Timothy R. McGill, Esq.

MUNICIPAL ADVISOR

R. G. Timbs, Inc.

No person has been authorized by the 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 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District.

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PREPARED WITH THE ASSISTANCE OF:

R. G. Timbs, Inc

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OFFICIAL STATEMENT

of the

CHATEAUGAY CENTRAL SCHOOL DISTRICT
FRANKLIN COUNTY, NEW YORK

Relating To

$3,980,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page, has been prepared by the Chateaugay Central School District, Franklin County, New York (the “District”, “County” and “State,” respectively) in connection with the sale by the District of $3,980,000 Bond Anticipation Notes, 2022 (the “Notes”).

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the 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 Notes are dated June 23, 2022, and mature, without option of prior redemption, June 27, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered notes and, at the option of the purchaser, may be registered to the Depository Trust Company (“DTC”) or may be registered in the name of the purchaser.

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds by the District.

Nature of the Obligations

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

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

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

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

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

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

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

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

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

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

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

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

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a Bond Resolution dated January 11, 2021 authorizing the issuance of up to $4,070,000 in Bond Anticipation Notes or Bonds for the financing of certain capital improvements consisting of reconstruction of the main school building.

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 Notes 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, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes 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, National Securities Clearing Corporation 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 of them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults and proposed amendments to the Notes 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 not 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 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-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

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

In the event the purchaser does not request the DTC book-entry-only system apply to the Notes on the date of initial issuance thereof, or in the event that book-entry only system is requested but subsequently discontinued by either DTC or the District, the following provisions will apply:

The Notes will be issued registered in the name of the purchaser in denominations of $5,000 each 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 a 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 Chateaugay Central School District, formed in 1950, is located in the Towns of Bellmont, Burke and Chateaugay, Franklin County and the Towns of Clinton and Ellenburg, Clinton County. The School District covers approximately 124 square miles. The School District is conveniently located to a number of cultural and educational centers, such as Lake Placid, Potsdam, Plattsburgh and Montreal; all of which are within an hour and one-half driving range.

The School District is a mixture of residential and agricultural areas with one main business, the McCadam Cheese plant. A major source of jobs for area residents is the NYS Correctional System which operates seven facilities within a half hour of Chateaugay.

Utilities are provided by New York State Electric & Gas Corporation. Telephone service is provided by Verizon New York Inc. Water and sewer service are provided by the Village of Chateaugay and fire protection is provided by the Chateaugay Volunteer Fire Department.

District Population

The 2020 population of the School District is estimated to be 3,453 (Source: 2020 U.S. Census Bureau estimate.)

Economic Developments

Economic development in Chateaugay has shown an increase in new small businesses opening during the past year. We have several new restaurants that have opened within the district boundaries in Franklin and Clinton County. Penny’s Homestyle Cooking has opened in Churubusco (Clinton County) while the Brainardsville Bake House and Smoke House Pizzeria have opened in Franklin County. A new bistro and bar, The Old No 5, will be opening soon in Brainardsville.

Additionally, we have individuals opening trade businesses within our District. Bootlegger Plumbing, A&E Construction and Smythe Welding/Mechanics are run by former graduates of Chateaugay Central School and are making a positive impact to residents, agricultural business and the local economy.

AES Renewables purchased the Valcour Wind Energy Portfolio. The company is building a 10-megawatt solar farm in Chateaugay to build capacity for clean energy. They are also building three solar farms in the town of Burke. Two are 5-megawatt projects and one is a 100-megawatt project. This project, known as Brookside, will span approximately 1,100 acres and plans to connect to the nearby Chateaugay-Willis 11k volt transmission line. The Brookside Project is projected to positively impact the environment and local economy by reducing carbon dioxide emissions and producing significant tax revenue for the area. We are working with the Franklin County IDA to finalize payments in lieu of taxes (PILOT) for the projects located in our school district.

Construction continues on the Agri-Mark Cheese plant in the town of Chateaugay. The expansion will help the dairy cooperative retain more than 100 full-time employees and support an additional 514 agricultural jobs in the region. The innovative expansion and restoration of Agri-Mark’s facility involves rebuilding the cooperative's 110,614 square-foot manufacturing center, reengineering the layout of the facility, and purchasing new machinery and other equipment to upgrade the plant. Currently, $16 million is dedicated to building the new state-of-the-art cheese production room to improve plant efficiency and further Agri-Mark’s high-quality standards.

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 Villages, Towns and Counties listed below. The Figures set below with respect to such Villages, Towns, Counties and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Villages, Towns, Counties or State 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
Village of:						
Chateaugay	$16,436	$19,232	$33,341	$35,750	$49,375	$81,250
Towns Of:						
Bellmont	16,542	23,945	37,219	35,852	52,344	65,288
Burke	14,434	23,852	24,033	36,477	49,306	59,861
Chateaugay	15,541	19,209	32,033	37,639	45,000	73,750
Clinton	11,787	17,578	27,522	34,375	56,000	71,250
Ellenburg	16,559	24,256	28,122	37,813	64,315	65,321
County Of:						
Franklin	15,888	19,807	26,866	38,472	50,816	65,693
Clinton	17,946	22,660	29,960	45,732	60,280	73,838
State Of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2016-2020 American Community Survey Estimates are not available as of the date of this Official Statement

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

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Chateaugay Central School	PK-12	1952	900	2019

Source: District Official

District Employees

The District employs a total of 103 full time-time and 7 part-time employees with representation by the various bargaining units listed below.

Employees	Bargaining Unit	Expiration Date
67	Chateaugay Teachers' Association	06/30/2025
33	CSEA Local 1000	06/30/2023

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2017-18	559	2022-23	524
2018-19	531	2023-24	525
2019-20	522	2024-25	531
2020-21	524	2025-26	530
2021-22	522	2026-27	523

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement -System ("ERS"). Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. 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 toward pension costs so long as they accumulate additional pension credits.

• Increasing the minimum years of service required to draw a pension from 5 years to 10 years.

• Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

• Raising the minimum age an individual can retire without penalty from 55 to 57 years.

• Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.

• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

On March 16, 2012, legislation was signed into law that created a new Tier VI pension program. The Tier VI plan only applies to those employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% to 6% of salary; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under previous tiers, there was no limit to the number of public employers a public employee worked for from which retirement benefits could be calculated. Tier VI permits only two salaries to be included in the calculation. The pension multiplier for Tier VI is 1.75% for the first 20 years of service and 2% thereafter; Vesting will occur after 10 years of service. The final average salary is based on a five-year average instead of the previous Tiers' three-year average. Pension eligible overtime for civilian and non-uniformed employees will be capped at $15,000, indexed for inflation. For uniformed employees outside of New York City, the cap is set at 15% of base pay. The number of sick and leave days that can be applied toward retirement service credit is reduced from 200 to 100. The legislation includes an optional defined contribution plan for new non-union employees with annual salaries of $75,000 or more. The State is required to fund any pension enhancements on an ongoing basis. This is a potential future cost savings for local governments.

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2021-2022 fiscal year and proposed budget for 2022-2023 are as follows:

Fiscal Year	ERS	TRS
2017-2018	$145,219	$455,927
2018-2019	148,823	388,790
2019-2020	163,108	451,167
2020-2021	173,516	409,791
2021-2022 (Budgeted)	219,318	385,149
2022-2023 (Budgeted)	253,329	440,747

Source: Audited financial statements for the 2016-2017 fiscal year through the 2020-2021 fiscal year and the adopted budget of the District for the 2021-2022 fiscal year. This table is not audited.

Retirement Incentive Program – 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 does not currently have early retirement incentive programs for its employees

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

A chart of average ERS and TRS rates as a percent of payroll (2018 to 2022) is show below:

Fiscal Year	ERS	TRS
2017-2018	15.3	9.80
2018-2019	14.9	10.62
2019-2020	14.6	8.86
2020-2021	14.6	9.53
2021-2022	16.2	9.80

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

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

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 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers; but will require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such 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 created a TRS reserve and will be funding it in the amount of $100,000.

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

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits 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 - refers to "other post-employment benefits," meaning other than pension benefits. OPEB consists 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 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated July 1, 2019 and financial data as of June 30, 2021, the School District's beginning year total OPEB liability was $31,383,499, the net change for the year was $8,265,502 resulting in a total OPEB liability of $39,649,001 for a fiscal year ending June 30, 2021. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2021 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers

Name	Nature of Business	Estimated Number of Employees
McCadem Cheese	Cheese Production	125
Chateaugay Central School District	Public Education	110
Custom & Border Protection	Border Crossing	40
Noble Environmental Power LLC	Electricity/Windmills	29
Dunkin Donuts	Franchise	16
Trainer Real Estate LLC	Farming	15
Mountain Mart	Convenience Store	9

Source: District Officials

Unemployment Rate Statistics

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

Year	Franklin County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2017	6.0%	4.6%	4.4%
2018	5.1%	4.1%	3.9%
2019	4.8%	3.8%	3.7%
2020	7.9%	10.0%	8.3%
2021	4.7%	6.9%	3.9%

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

2021-2022 Monthly Figures

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Franklin County	5.0%	4.9%	4.5%	3.6%	3.5%	3.4%	3.0%	4.0%	4.3%	4.0%	3.3%	N/A
Clinton County	5.0%	4.9%	4.5%	3.6%	3.4%	3.0%	2.8%	3.8%	3.9%	3.7%	3.0%	N/A
New York State	7.5%	7.1%	6.7%	5.7%	5.3%	4.9%	4.5%	5.3%	5.1%	4.7%	4.2%	N/A

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

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) 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 School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the School 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 School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian. The School District is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

The School District has adopted its own Investment Policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The Policy prohibits investing through any private entity or brokerage firm and provides for written security agreements and/or custodial agreements with each commercial bank or trust company.

Form of School Government

Subject to the provisions of the State Constitution, the School District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the School District, and any special laws applicable to the School District. Under such laws, there is no authority for the School District to have a charter or adopt local laws.

The Board of Education the policy-making body of the School District consists of seven members with overlapping three-year terms so that an equal number is elected to the Board each year. The President and the Vice President are selected by the Board members.

The duties of the administrative officers of the School District include the implementation of the policies of the Board of Education and the supervision of the operation of the school system.

Budgetary Procedures

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

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 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.

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 by a vote of 127 to 9. The School District's 2019-20 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2020-21 fiscal year was adopted by the qualified voters by a vote of 420 to 66. All ballots were counted as of June 16, 2020 as required by the Executive Order issued by Governor Andrew Cuomo due to the COVID-19.

The budget for the 2021-22 fiscal year was adopted by the qualified voters on May 18, 2021 by a vote of 153 to 11. The School District's 2021-22 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 126 yes to 19 no. The School District’s 2022-23 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2022-23 fiscal year, approximately 67.3% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The amount of State aid to school districts is dependent in part upon the financial condition of the State.

The availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays 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.

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

The 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" herein).

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, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In the event a mid-year reduction in State aid, a deficiency note may be issued in a restricted amount.

Federal Aid Received by the State – Since March 2020, the state has been awarded over $14 billion in federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act; the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (“CRRSA”); and the America Rescue Plan (“ARP’) Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $1,227,230 in ARP funds available through September 2024 and $528,969 in CRRSA funds available through September 2023and was also allocated a total of $700,000 under three separate ARP-SLR (State-Level-Reserve) subcategories of Learning Loss, Comprehensive After-school and Summer Enrichment.

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

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the 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.

State Aid History - Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

The State 2017-2018 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-2018 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

The State's 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 percent, and provided 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 increased the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding was targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget increased the minimum community schools funding amount from $75,000 to $100,000. To enable all high-need districts across the State can apply the funds to a wide range of activities.

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, 20 State aid in the school district fiscal year 2020-2021 totaled approximately $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 11 program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid 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. Pursuant to that provision, in October, 2020, the State announced that, in the absence of federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

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

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

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid is slated to be completed by the end of the 2023-2024 State fiscal year.

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 Campaign for Fiscal Equity case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below"

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

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for 2021-2022 fiscal year and proposed budget for fiscal 2022-2023.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$11,773,929	$7,771,231	66.00%
2018-2019	12,378,449	8,139,716	65.76
2019-2020	13,051,890	8,787,005	67.32
2020-2021	13,027,035	8,606,308	66.06
2021-2022 (Budgeted)	12,987,302	8,844,031	68.10
2022-2023 (Budgeted)	14,229,617	9,576,996	67.30

Source: Audited financial statements for the 2017-2018 fiscal year through the 2020-2021 fiscal year and the adopted budget of the District for the 2021-2022 fiscal year and proposed budget for fiscal 2022-23. This table is not audited.

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

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

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

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

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

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 July 15, 2016. The purpose of the audit was to evaluate the accuracy of employees’ leave accrual records for the period July 1, 2014 through January 31, 2016

Key Findings

- We found errors in the leave accrual records for nine of the 15 employees’ records we reviewed. The cumulative effect of these errors is that, as of January 31, 2016, four employees’ leave accrual balances were overstated by a total of almost 20 days, valued at $8,201, and two employees’ leave accrual balances were understated by a total of more than one day, valued at $298.

- The former principal clerk and the District Treasurer were responsible for maintaining employees’ leave accrual records without supervisory oversight and District officials did not perform periodic reviews of employee leave accrual balances to ensure their accuracy.

-

Key Recommendations

- Ensure that District personnel properly calculate and deduct leave time use from employee leave accrual balances and that accrued leave is both earned and carried over from one fiscal year to the next.

- Designate an individual who is independent of leave accrual record maintenance to periodically review leave accrual records and balances for accuracy.

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, though they anticipate one to be announced in the near future.

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

Other Information

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

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

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

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2021 and may be found attached hereto as Appendix B.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York 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 National Committee on Government Accounting.

TAX INFORMATION

Assessed and Full Valuations

Fiscal Year Ended June 30:

	2018	2019	2020	2021	2022
Assessed Valuations:					
Bellmont	$ 76,658,166	$ 77,320,689	$ 77,949,829	$ 78,937,239	$ 79,180,008
Burke	38,396,510	38,717,519	38,738,830	40,238,534	40,514,279
Chateaugay	82,163,220	82,705,905	83,310,133	83,891,163	84,349,851
Clinton	13,332,225	13,580,698	13,875,521	14,225,394	14,180,588
Ellenburg	5,824,351	5,723,713	5,733,768	5,939,677	6,145,293
Total	$ 216,374,472	$ 218,048,524	$ 219,608,081	$ 223,232,007	$ 224,370,019
Equalization Rates:					
Bellmont	104.00%	100.00%	100.00%	100.00%	100.00%
Burke	100.00%	100.00%	100.00%	100.00%	100.00%
Chateaugay	85.00%	85.00%	81.00%	75.00%	74.50%
Clinton	100.00%	100.00%	100.00%	100.00%	100.00%
Ellenburg	100.00%	100.00%	100.00%	100.00%	100.00%
Full Valuations:					
Bellmont	$ 73,709,775	$ 77,320,689	$ 77,949,829	$ 78,937,239	$ 79,180,008
Burke	38,396,510	38,717,519	38,738,830	40,238,534	40,514,279
Chateaugay	96,662,612	97,301,065	102,852,016	111,854,884	113,221,277
Clinton	13,332,225	13,580,698	13,875,521	14,225,394	14,180,588
Ellenburg	5,824,351	5,723,713	5,733,768	5,939,677	6,145,293
Total	$ 227,925,473	$ 232,643,684	$ 239,149,964	$ 251,195,728	$ 253,241,445

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2018	2019	2020	2021	2022
Bellmont	$ 17.70	$ 13.12	$ 12.42	$ 12.01	$ 12.31
Burke	17.79	17.76	16.87	15.98	16.33
Chateaugay	16.03	15.94	15.79	16.47	17.03
Clinton	12.88	12.76	12.15	11.70	12.03
Ellenburg	12.81	12.87	12.02	11.63	11.93

Tax Collection Procedure

School taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1, a list of all unpaid taxes is given to the Counties for re-levy on County/Town tax rolls. The School District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

Tax Collection Record

Fiscal Year Ended June 30:	2018	2019	2020	2021	2022*
General Fund Tax Levy	$2,943,395	$2,870,882	$2,928,299	$2,908,840	$3,007,830
Levy for Library	39,625	39,625	39,625	39,625	$39,625
STAR Program	476,184	448,996	448,996	420,585	$406,785
Net Taxes After STAR Program	$2,506,836	$2,461,511	2,518,928	2,527,880	$2,640,672
Taxes Collected Prior to Return	2,060,468	2,120,620	2,165,926	2,214,152	$2,300,780
Uncollected Date of Return	$446,367	$340,891	$353,002	$313,314	$339,892
Percentage Collected Prior to Return	82.19%	86.50%	85.98%	87.60%	87.1%

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2017-2018	$11,773,929	$2,410,585	20.47%
2018-2019	12,378,449	2,468,936	19.95
2019-2020	13,051,890	2,423,673	18.57
2020-2021	13,027,035	2,487,728	19.10
2021-2022 (Budgeted)	12,987,302	3,007,830	23.16
2022-2023 (Budgeted)	14,229,617	3,106,367	21.80

Source: Audited financial statements for the 2016-17 fiscal year through 2020-21 fiscal year and the adopted budget of the District for the 2021-2022 fiscal year and the proposed budget for fiscal 2022-2023. This table is not audited

Major Taxpayers 2021

For 2021-22 Tax Roll

Name	Type	Full Value
New York State Electric and Gas	Utility	$8,633,960
Trainer Real Estate, LLC	Farming	3,742,296
Shipman Farm, LLC	Farming	3,563,583
Chateaugay C0-Op	Industry	3,381,208
Chateaugay Woodlands, LLC	Industry	2,341,091
Triton Power Co.	Utility	1,508,725
Sunset Lake Farm No. 2, LLC	Farming	1,377,499
State of New York	State Owned Land	1,374,143
Bilow Farms, LLC	Farming	1,283,676
Logue Farms, LLC	Farming	1,175,137
Total		$28,381,318

1. The above taxpayers represent 11.21% of the School District's 2021-22 Full value of $253,241,445.

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2021 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

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 2022-23, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first $70,700 for the 2021-2022 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 “full value” exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converted the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibited new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll.

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

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

Real Property Tax Rebate

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must have provided certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015 and was signed into law by the Governor on June 26, 2015. The program began in 2016 and was fully phased in 2019.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy 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").

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

There are exceptions for school districts to the tax levy limitation provided in the law, 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.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Debt Limit. The School District has the power to contract indebtedness for any School 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 School District as required by the Local Finance Law. 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.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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.

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

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

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue, tax anticipation, budget and capital notes.

STATUS OF INDEBTEDNESS

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Serial Bonds	$5,775,000	$5,155,000	$4,520,000	$9,660,000	$8,590,000
Bond Anticipation Notes	0	0	5,185,000	0	0
Installment Purchase Debt	18,443	0	0	0	0
Total Debt Outstanding	$5,793,443	$5,155,000	$9,705,000	$9,660,000	$8,590,000

Status of Outstanding Bond Issues

Year of Issue:	2019	
Amount Issued:	$5,325,000	
Final Maturity:	12/17/2019	
Purpose:	Building	
Fiscal Year Ending June 30:	Principal	Interest
2022	$ 325,000	$ 94,650
2023	325,000	88,150
2024	325,000	81,650
2025	330,000	75,150
2026	345,000	68,550
2027	355,000	61,650
2028	345,000	54,550
2029	355,000	47,650
2030	360,000	40,550
2031	370,000	32,900
2032	375,000	25,038
2033	385,000	17,069
2034	395,000	8,888
Totals:	$ 4,590,000	$ 696,444

Year of Issue:	2020		2020	
Amount Issued:	$825,000		$3,775,000	
Final Maturity:	6/18/2020		10/6/2020	
Interest Rate/ Instrument:	1.680% - SB		- SB Refunding	
Purpose:	Building		Building	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2022	$ 50,000	$ 12,936	$ 530,000	$ 75,300
2023	50,000	12,096	545,000	64,700
2024	55,000	11,256	555,000	53,800
2025	55,000	10,332	565,000	42,700
2026	55,000	9,408	575,000	28,900
2027	55,000	8,484	460,000	14,200
2028	60,000	7,560	-	-
2029	60,000	6,552	-	-
2030	65,000	5,544	-	-
2031	65,000	4,452	-	-
2032	65,000	3,360	-	-
2033	65,000	2,268	-	-
2034	70,000	1,176	-	-
Totals:	$ 770,000	$ 95,424	$ 3,230,000	$ 279,600

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2022	$ 905,000	$ 182,886	$ 1,087,886	11.26%
2023	920,000	164,946	1,084,946	22.49%
2024	935,000	146,706	1,081,706	33.69%
2025	950,000	128,182	1,078,182	44.85%
2026	975,000	106,858	1,081,858	56.04%
2027	870,000	84,334	954,334	65.92%
2028	405,000	62,110	467,110	70.76%
2029	415,000	54,202	469,202	75.61%
2030	425,000	46,094	471,094	80.49%
2031	435,000	37,352	472,352	85.38%
2032	440,000	28,398	468,398	90.23%
2033	450,000	19,337	469,337	95.08%
2034	465,000	10,064	475,064	100.00%
Totals:	$ 8,590,000	$ 1,071,468	$ 9,661,468	

Status of Short-Term Indebtedness

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN	3/16/2022	6/28/2022	1.170%	$950,000*

*To be redeemed using the proceeds of this issue along with $90,000 of available district funds.

Cash Flow Borrowings

The School District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District Voters approved a $4,070,000 Capital Project on December 15, 2020. This project consists of 3 boilers with 2 high efficiency condensing boilers to serve areas of the building with hot water heating equipment and 2 standard efficiency boilers which will produce steam until the remaining areas of the building are converted to hot water heat. The water softener system for the boilers and domestic water will also be replaced. This work will coincide with the boiler replacement. The chimney and auditorium's eroded and deteriorated mortar joints and brick masonry will be restored or replaced. The second-floor wing of the 1952 section of the school will receive intensive mechanical upgrades. This will include the replacement of the horizontal unit ventilators with new vertical unit ventilators. The classrooms will also receive new shelving, ceilings, and ductwork. The asbestos flooring will be abated. The project will also provide LED lighting throughout the auditorium. The existing house and stage lighting is antiquated and consists of incandescent fixtures that lack the efficiency of newer LED technology. Construction is set to began in the Spring of 2022.

The first borrowing against said authorization was issued March 16, 2022 in the amount of $950,000 Bond Anticipation Notes. This will be the second borrowing against the authorization and will provide an additional $3,120,000 for the aforementioned purpose.

Building Aid Estimate

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. The District has not applied for such estimate; but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 87.0%.

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.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. 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 outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 31, 2022

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Bellmont	$ 79,180,008	100.00%	$ 79,180,008
Burke	40,514,279	100.00%	40,514,279
Chateaugay	84,349,851	74.50%	113,221,277
Clinton	14,180,588	100.00%	14,180,588
Ellenburg	6,145,293	100.00%	6,145,293
Total			$ 253,241,445
Debt Limit: 10% of Full Valuation			$ 25,324,144
Inclusions:			
Serial Bonds			$ 8,590,000
Bond Anticipation Notes			950,000
Total Inclusions:			$ 9,540,000
Exclusions:			
Building Aid Estimate [1]			$0
Total Exclusions:			$0
Total Net Indebtedness Before Giving Effect to This Issue			$ 9,540,000
This Issue		$ 3,980,000	
Proceeds to Be Used to Renew Indebtedness Listed Under Inclusions		860,000	$ 3,120,000
Total Net Indebtedness After Giving Effect to This Issue			$ 12,660,000
Net Debt Contracting Margin			$ 12,664,144
Percentage of Debt-Contracting Power Exhausted			49.99%

Notes: 1. The calculation of such indebtedness has not been taken into account any deductions therefrom of any apportionment of State Aid for debt service for School District purposed for which the District may be entitled. Since the gross indebtedness of the District is within its constitutional debt limit, the District is not required to apply for a Building Aid Estimate from the State Department of Education. The District anticipates the receipt of building aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Franklin	$ 232,915,564					
County	$ 3,755,492,140	6.20%	1,918,047	N/A	1,918,047	118,957
Clinton	$ 20,325,881					
County	$ 5,037,583,350	0.40%	57,823,086	N/A	57,823,086	233,307
Town of	$ 79,180,008					
Bellmont	$ 176,699,198	44.81%	3,387,740	N/A	3,387,740	1,518,067
Town of	$ 40,514,279					
Burke	$ 65,052,133	62.28%	60,000	N/A	60,000	37,368
Town of	$ 113,221,277				-	
Chateaugay	$ 113,221,277	100.00%	108,688	N/A	108,688	108,688
Town of	$ 14,180,588				-	
Clinton	$ 47,897,502	29.61%	-	N/A	-	-
Town of	$ 6,145,293				-	
Ellenburg	$ 125,921,076	4.88%	222,900	N/A	222,900	10,878
Village of	$ 26,772,113				-	
Chateaugay	$ 26,772,113	100.00%	565,000	N/A	565,000	565,000
Total						$ 2,592,266

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2020

Notes:

1 Bonds and Bond Anticipation notes as of 2020 fiscal year. Not adjusted to include subsequent bond and note sales

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 31, 2022

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness	$ 12,660,000	$ 3,666.38	4.999%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 15,252,266	$ 4,417.11	6.023%

(a) The District's estimated population is 3,453. (Source: 2020 U.S. Census Bureau estimate)
(b) The District's full valuation of taxable real estate for 2021-22 is $253,241,445.

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors’ Provision. Each Bond when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforces 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 judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centrum 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 judgement, although judicial mandates have been issued to officials to appropriate and pay judgements our of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such a 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 or 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 VII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of an 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.

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 continuations 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 has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

The financial and economic 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 and 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 other jurisdiction 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, an the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures 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 timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. 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 and 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.

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

Cyber Security

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operation controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard again cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

COVID – 19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property tax or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, is a respiratory disease caused by a new strain of coronavirus, has spread globally, including the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has take and continues to take steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non[1]essential business. The outbreak of COVID-19 and the dramatic steps take by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact of COVID-19 on the operations and finances of the District is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity, as well as with regard to what actions may be taken by governmental and health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" herein).

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

TAX EXEMPTION

The delivery of the Notes is subject to the opinion of Bond Counsel to the effect that interest on the Notes for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) is not a specific preference item for purposes of the federal alternative minimum tax. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate (the "Tax Certificate") dated the date of delivery of the Notes pertaining to the use, expenditure, and investment of the proceeds of the Notes and will assume continuing compliance by the District with the provisions of the Tax Certificate subsequent to the issuance of the Notes. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Notes and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Notes are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Notes to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Notes is commenced, under current procedures the IRS is likely to treat the District as the "taxpayer," and the owners of the Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the District may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Timothy R. McGill, Esq., Bond Counsel to the School District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as Appendix C.

CONTINUING DISCLOSURE COMPLIANCE

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 pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Material Event Notices, the description of which is attached hereto as “Appendix D”.

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.

LITIGATION

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

BOND RATING

The purchaser of the Notes has applied to S&P Global Ratings (“S&P”), a division of Standard & Poor’s Financial Services LLC for a short-term rating on the Notes.

The most recent underlying rating assigned to the School District by S&P is an A+ rating with a stable outlook, which was assigned in connection with the issuance by the School District of $3,775,000 School District Refunding (Serial) Bonds dated October 6, 2020.

A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. 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 rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the District’s outstanding serial bonds may have an adverse effect on the market price of the bonds.

MUNICIPAL ADVISOR

R.G. Timbs, Inc.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.

MISCELLANEOUS

The execution and delivery of this Official Statement have been duly authorized by the Board of Education of the School District. Concurrently with the delivery of the Notes, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the School District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the School District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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.

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. 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. R.G. Timbs, 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 School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School 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.

The School District contact information is as follows: Jason Brockway, Business Manager, phone: (518) 497-6611 email: jbrockway@fehb.org.

Additional copies of the Official Statement may be obtained upon request from the offices of R. G. Timbs, Inc., telephone number (877) 315-0100, or at www.RGTimbsInc.net

Chateaugay Central School District

Dated: June 14, 2022
Chateaugay, New York

Lori Green
President of Board of Education

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021	Budget 2022	
Beginning Fund Balance - July 1	$2,804,836	$2,804,391	$1,528,806	$1,862,413	$2,671,153	$3,275,175	E
Revenues:							
Real Property Taxes	$2,971,559	$2,410,585	$2,468,936	$2,423,673	$2,487,728	$3,007,830	
Other Tax Items	538,036	1,280,374	1,276,349	1,253,943	1,233,382	814,198	
Charges for Services	78,834	96,763	133,623	47,022	157,480	105,400	
Due from Other Governments	0	0	0	126,015	207,005	0	
Use of Money & Property	2,643	2,125	9,065	37,726	1,927	20,000	
Sale of Property/Comp. for Loss	16,074	11,418	10,539	8,984	9,647	23,000	
Miscellaneous	86,477	157,036	245,273	279,146	61,379	67,500	
Interfund Revenues	22,940	7,873	11,489	10,851	9,843	0	
State Aid	8,458,771	7,771,231	8,139,716	8,787,005	8,606,308	8,844,031	
Federal Aid	36,640	36,524	83,459	73,543	251,835	30,000	
Interfund Transfers	0	-	-	3,982	501	75,343	
Total Revenues	$12,211,974	$11,773,929	$12,378,449	$13,051,890	$13,027,035	$12,987,302	
Expenditures:							
General Support	$1,773,169	$1,783,005	$2,023,977	$1,928,661	$1,929,587	$2,066,874	
Instruction	5,491,023	5,370,723	5,477,051	5,436,597	5,614,519	6,098,550	
Transportation	579,684	687,398	,969646,180	481,195	476,769	553,764	
Community Services	0	0	0	0	0	0	
Employee Benefits	2,949,840	2,963,831	3,073,031	3,074,098	3,108,584	3,694,271	
Debt Service	1,406,707	791,382	797,869	1,254,509	1,216,947	1,258,843	
Interfund Transfer	11,996	952,216	0	68,090	76,607	53,000	
Total Expenditures	$12,212,419	$12,548,555	$12,018,108	$12,243,150	$12,423,013	$13,725,302	
Adjustments	0	(500,959.00)	(26,734.00)	0	0	0	
Year End Fund Balance	$2,804,391	$1,528,806	$1,862,413	$2,671,153	$3,275,175	$2,537,175	E
Excess (Deficit) Revenues Over Expenditures	($445)	($774,626)	$360,341	$808,740	$604,022	($738,000)	1

Comparative Balance Sheet

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Assets:					
Unrestricted Cash	$1,346,143	$745,108	$661,731	$1,581,366	$860,067
Restricted Cash	304,855	251,780	260,448	558,971	538,242
Accounts Receivable	13,422	18,248	12,618	66,419	40,492
Due from Other Funds	441,099	512,926	575,404	614,212	807,017
Due From State & Federal	1,191,978	727,317	903,969	696,981	1,619,432
Due From Other Governments	20,579	8,277	1	1	1
Total Assets	$3,318,076	$2,263,656	$2,414,171	$3,517,950	$3,865,251
Liabilities:					
Accrued Liabilities	$0	$17,936	$586	$33,230	$7,314
Due to Other Funds	10,556	233,825	55,356	359,202	76,816
Due to State Teachers' Retirement System	457,655	377,280	441,523	398,138	439,222
Due to Employees' Retirement System	45,474	47,937	54,293	56,227	66,724
Total Liabilities:	$513,685	$676,978	$551,758	$846,797	$590,076
Fund Balances:					
Restricted	$304,855	$251,780	$260,448	$558,971	$538,242
Assigned:					
Appropriated Fund Balance	1,465,000	575,000	575,000	575,000	575,000
Unassigned					
Unappropriated Fund Balance	1,034,536	759,898	1,026,965	1,537,182	2,161,933
Total Fund Balance	$2,804,391	$1,586,678	$1,862,413	$2,671,153	$3,275,175
Total Liabilities and Fund Balance	$3,318,076	$2,263,656	$2,414,171	$3,517,950	$3,865,251

Source: Audited Financial Reports. This table is NOT audited.

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2021

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2021

Contents

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA ***STEPHEN P. WOOD, CPA***

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Chateaugay Central School District
Chateaugay, New York 12920

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

206 W Bay Plz ● Plattsburgh, NY 12901 ● Phone 518-561-3790 ● Fax 518-561-4044

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

Opinions

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

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 9), budgetary comparison information (pages 50 & 51), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 54) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 55-58) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, on our consideration of the Chateaugay 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 Chateaugay Central School District's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
October 26, 2021

Chateaugay Central School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2021

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021.

Financial Highlights

Revenues totaled $14.7 million. Program revenues accounted for $1.6 million or 10.9% of total revenues, and general revenues accounted for $13.0 million or 88.4%.

The District's net position was approximately negative $19.0 million.

Overview of the Financial Statements

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

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

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

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

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

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

District-wide Statements

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

The two district-wide statements report the district's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the district's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

In the district-wide financial statements, the District's activities are:

- Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions.

The District has two kinds of funds:

- Governmental Funds: Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the notes to the financial statements.

- Fiduciary fund: The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because the assets cannot be utilized by the District to finance its operations.

Financial Analysis of the District as a Whole

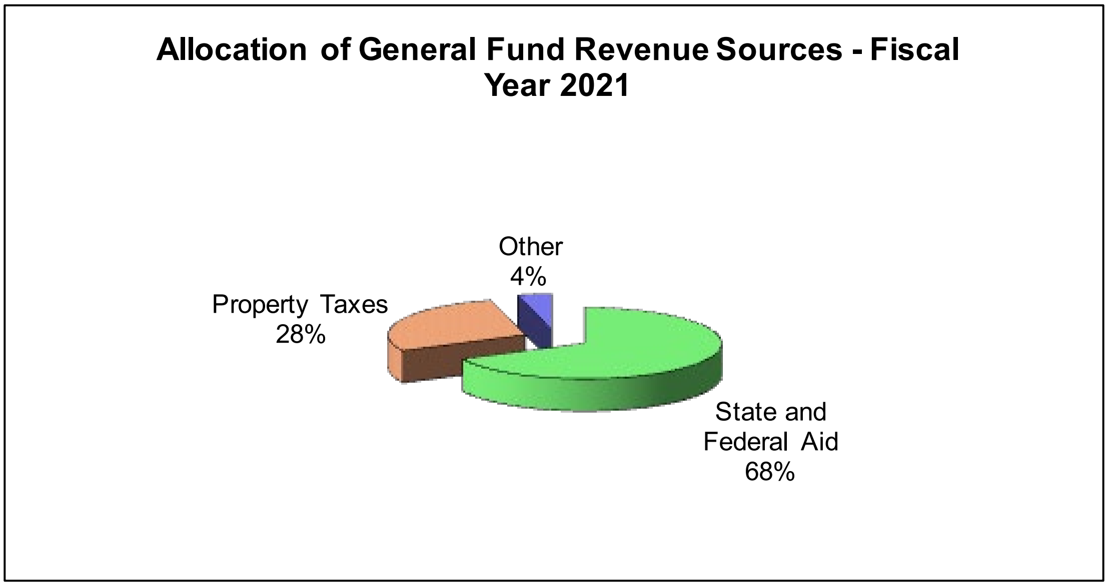
CHATEAUGAY CENTRAL SCHOOL DISTRICT
CONDENSED STATEMENT OF NET POSITION

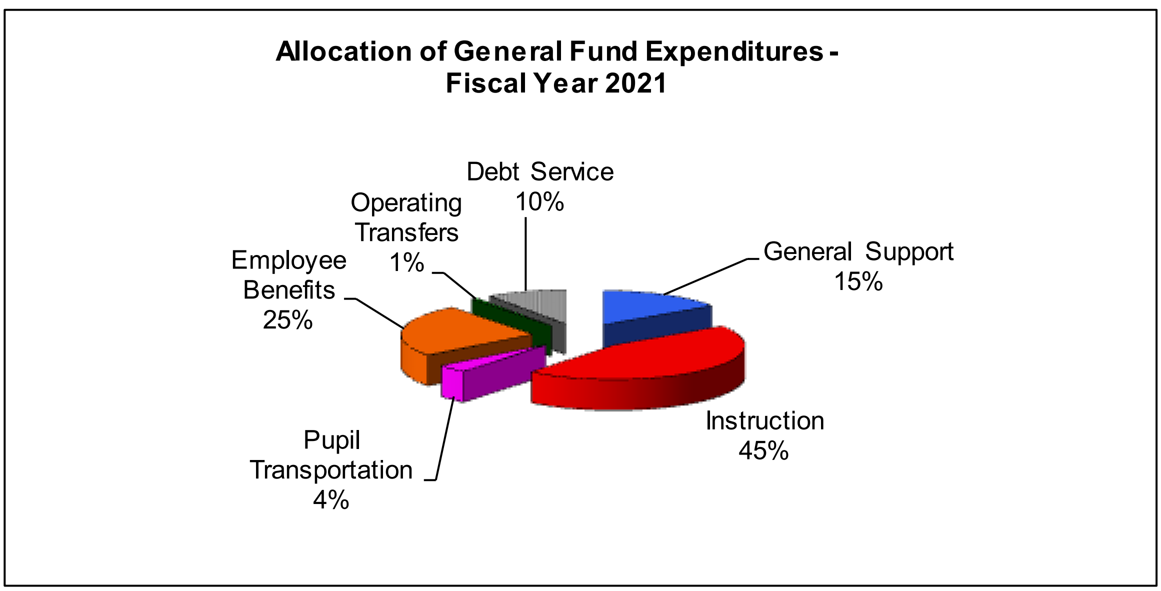
	6/30/2021	Restated 6/30/2020
ASSETS		
Current and other assets	**$ 4,364,853**	$ 5,084,860
Capital assets, net	**22,740,304**	23,373,136
Total Assets	**27,105,157**	28,457,996
Pensions & OPEB	**10,262,488**	3,704,222
Total Assets and Deferred Outflows of Resources	**$ 37,367,645**	$ 32,162,218
LIABILITIES		
Long-term debt outstanding	**$ 49,393,640**	$ 42,349,981
Other liabilities	**566,303**	868,490
Total Liabilities	**49,959,943**	43,218,471
Pensions & OPEB	**6,582,918**	8,638,272
NET POSITION		
Net investment in capital assets	**14,790,856**	12,696,340
Restricted	**957,593**	940,386
Unrestricted	**(34,923,665)**	(33,331,251)
Total Net Position	**(19,175,216)**	(19,694,525)
Total Liabilities, Deferred Inflows and Net Position	**$ 37,367,645**	$ 32,162,218

CHATEAUGAY CENTRAL SCHOOL DISTRICT
CHANGES IN NET POSITION FROM OPERATING RESULTS

REVENUES		
Program Revenues:		
Charges for services	**$ 2,700**	$ 51,829
Operating grants	**1,575,039**	1,353,561
General Revenues:		
Real property taxes	**2,487,728**	2,423,673
Other tax items/star aid	**1,233,382**	1,253,943
Charges for services	**157,480**	47,022
Other districts and governments	**207,005**	126,015
Use of money and property	**2,115**	37,726
Sale of property and compensation for loss	**9,647**	8,984
Miscellaneous	**137,969**	282,214
Interfund revenue	**9,843**	10,851
State sources	**8,621,724**	9,320,203
Federal sources	**251,835**	73,543
Total Revenues	**14,696,467**	14,989,564
EXPENSES		
General support	**2,706,450**	2,497,764
Instruction	**6,712,908**	6,443,083
Pupil transportation	**602,135**	464,525
Employee benefits	**3,376,790**	2,083,982
Debt service - interest	**212,886**	243,513
BOCES capital project	**303,914**	531,789
School lunch program	**262,075**	209,064
Total Expenses	**14,177,158**	12,473,720
Increase in Net Position	**$ 519,309**	$ 2,515,844

The graphs below illustrate the allocation of general fund revenues and expenditures.





Financial Analysis of the District's Funds – Fund Balances

The District's major governmental funds (as presented on the balance sheet on page 12) reported a combined fund balance of negative $3.7 million, which is up from last year's total of $3.1 million. These figures represent all of the District's governmental funds, which include the General, Special Revenue, and Capital Project Funds. The General Fund fund balance figures below reflect Unassigned, Appropriated Fund Balance, as well as the District's strategic reserves.

	Current Year	Prior Year	Change	Percent Change
General Fund	$ 3,275,175	$ 2,671,153	$ 604,022	22.61%
Special Revenue Fund	$ 66,670	$ 71,216	$ (4,546)	-6.38%
Capital Fund	$ (17,743)	$ 381,415	$ (399,158)	-104.65%

General Fund Budgetary Highlights

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

The District under spent its budget by $1,373,634 and received $65,163 less in revenue than budgeted. Overall, the District continues to have a positive fund balance of $3.3 million, a portion of which the Board of Education decided to place in reserves for Unemployment, Retirement contributions, Repairs, Retirement of long-term debt and Employee benefits.

Capital Assets

The District has $22,740,304 invested in capital assets net of depreciation. Refer to page 32 for details of capital assets.

Long-Term Debt

At June 30, 2021, the District had $8,590,000 in outstanding bonds payable as compared to $9,660,000 at June 30, 2020. During the year the District paid $980,000 in principal and $175,616 in interest.

FACTORS BEARING ON THE DISTRICT'S FUTURE

This was undoubtedly one of the most challenging budget seasons for school districts across the state, including here at CCS. Earlier this year we were faced with a 20% reduction in funding at a time when pandemic related expenses grew significantly. This included costs for cleaning supplies, personal safety equipment, transportation & fuel, as well as goods associated with the delivery of free meals provided to students and families throughout our district during times of remote instruction. We also realized additional expenses associated with providing virtual learning opportunities to students in various grade levels, including technological investments focused on improving the learning experience for some of our youngest students.

This budget remained within the tax cap of 3.4% and represents our continued efforts to be fiscally responsible to our taxpayers. We are thankful that the New York State Budget in April provided an anticipated increase of foundation aid of $221,311 over what was presented in January. We increased the fund balance reserves budget line to pay a portion of the Employee Retirement System payment and to pay contractual obligations for teachers retiring in 2020-2021 and being paid in the 2021-2022 budget.

This budget allowed us to restore a High School English Teacher position and to hire for all the positions that were created due to retirements or resignations. It also allowed the district to maintain all of its existing programs. Most importantly, it helps ensure that our students continue to remain competitive and successful as they prepare for life after high school. For some, that may include furthering their education at a college or trade school, while others will enter the workforce or proudly serve their country by joining a distinguished branch of our military.

Separate from this budget, the District received funding through two separate federal stimulus acts: The Coronavirus Response and Relief Supplementary Appropriations Act (CRRSA) and the American Rescue Plan Act (ARPA). These funds are grant based and do not impact the general fund budget. These funds will be used to help address learning loss through increased summer programming as well as extended day programs for the 2021-2023 school year and into summer 2024. Transportation will be included in both the summer and school year programming. We are also utilizing the funds to maintain the operation and continuity of services while supporting the Pre-CTE program that integrates special education and mental health support services. Our main goal is to maintain the fund balance in order to operate our school when this stimulus funding is no longer available.

Contacting the District's Financial Management

This financial report is designated to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Superintendent, Chateaugay Central School District, and P.O. Box 904, Chateaugay, NY 12920.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 1**

STATEMENT OF NET POSITION
June 30, 2021

ASSETS		
Cash:		
Unrestricted	$	1,016,091
Restricted		958,629
Receivables:		
State and federal aid receivable		2,293,880
Due from other governments		1
Other receivables		94,433
Inventories		1,819
Capital assets		22,740,304
Total Assets		27,105,157
DEFERRED OUTFLOWS OF RESOURCES		
Pensions		3,325,806
OPEB (GASB 75)		6,936,682
Total Deferred Outflows of Resources		10,262,488
Total Assets and Deferred Outflows of Resources	$	37,367,645
LIABILITIES		
Payables:		
Accrued liabilities	$	26,718
Due to teachers' retirement		439,222
Due to employees' retirement		66,724
Unearned revenue		26,113
Due to other governments		10
Accrued interest		7,516
Long-term liabilities		
Due and payable within one year:		
Bonds payable-current		905,000
Due and payable after one year		
Bonds payable - non-current		7,814,448
Compensated absences payable		316,675
Other post employment benefits		39,649,001
Net pension liability-proportionate share		708,516
Total Liabilities		49,959,943
DEFERRED INFLOWS OF RESOURCES		
Pensions		1,686,594
OPEB (GASB 75)		4,896,324
Total Deferred Inflows of Resources		6,582,918
NET POSITION		
Net investment in capital assets		14,790,856
Restricted		957,593
Unrestricted		(34,923,665)
Total Net Position		(19,175,216)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$	37,367,645

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 2**

STATEMENT OF ACTIVITIES
Years Ended June 30, 2021

		PROGRAM REVENUES		NET (EXPENSE)
FUNCTIONS/ PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS**	**REVENUE AND CHANGES IN NET POSITION**
General support	$ (2,706,450)	$ -	$ -	$ (2,706,450)
Instruction	(6,712,908)	-	1,299,546	(5,413,362)
Pupil transportation	(602,135)	-	-	(602,135)
Employee benefits	(3,376,790)	-	-	(3,376,790)
Debt service - interest	(212,886)	-	-	(212,886)
Capital outlay - BOCES capital project	(303,914)	-	-	(303,914)
School lunch program	(262,075)	2,700	275,493	16,118
Total Functions and Programs	$ (14,177,158)	$ 2,700	$ 1,575,039	(12,599,419)
GENERAL REVENUES				
Real property taxes				2,487,728
Other tax items/star aid				1,233,382
Charges for services				157,480
Other districts and governments				207,005
Use of money and property				2,115
Sale of property and compensation for loss				9,647
Miscellaneous				137,969
Interfund revenue				9,843
State sources				8,621,724
Federal sources				251,835
Total General Revenues				13,118,728
Change in Net Position				519,309
Total Net Position - Beginning of Year, as previously reported				(20,095,867)
Prior period adjustment (Note 14)				401,342
Total Net Position - Beginning of Year, as restated				(19,694,525)
Total Net Position - End of Year				$ (19,175,216)

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

EXHIBIT 3

BALANCE SHEETS-GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL FUND	SPECIAL AID	SCHOOL FOOD SERVICE	CAPITAL PROJECTS	DEBT SERVICE	NON-MAJOR FUNDS	TOTAL
ASSETS							
Cash	$ 860,067	$ 127,966	$ 28,058	$ -	$ -	$ -	**$ 1,016,091**
Restricted cash	538,242	-	-	1,036	-	419,351	**958,629**
Due from other funds	807,017	76,816	-	-	-	-	**883,833**
Due from other governments	1	-	-	-	-	-	**1**
Accounts receivable	40,492	53,941	-	-	-	-	**94,433**
State and federal aid receivable	1,619,432	522,013	56,207	33,615	-	-	**2,231,267**
Inventories	-	-	1,819	-	-	-	**1,819**
Total Assets	$ 3,865,251	$ 780,736	$ 86,084	$ 34,651	$ -	$ 419,351	**$ 5,186,073**
LIABILITIES							
Accrued liabilities	$ 7,314	$ -	$ 19,404	$ -	$ -	$ -	**$ 26,718**
Unearned revenue	-	26,113	-	-	-	-	**26,113**
Due to other governments	-	-	10	-	-	-	**10**
Due to other funds	76,816	754,623	-	52,394	-	-	**883,833**
Due to teachers' retirement system	439,222	-	-	-	-	-	**439,222**
Due to employees' retirement system	66,724	-	-	-	-	-	**66,724**
Total Liabilities	590,076	780,736	19,414	52,394	-	-	**1,442,620**
FUND BALANCES							
Nonspendable	-	-	1,819	-	-	-	**1,819**
Restricted							
Unemployment insurance reserve	30,000	-	-	-	-	-	**30,000**
Retirement reserve - ERS	267,094	-	-	-	-	-	**267,094**
Employee benefits liability reserve	220,664	-	-	-	-	-	**220,664**
Repair reserve	20,484	-	-	-	-	-	**20,484**
Other	-	-	-	-	-	419,351	**419,351**
Assigned							
School food service	-	-	64,851	-	-	-	**64,851**
Appropriated fund balance	575,000	-	-	-	-	-	**575,000**
Unassigned	2,161,933	-	-	(17,743)	-	-	**2,144,190**
Total Fund Balances	3,275,175	-	66,670	(17,743)	-	419,351	**3,743,453**
Total Liabilities and Fund Balances	$ 3,865,251	$ 780,736	$ 86,084	$ 34,651	$ -	$ 419,351	**$ 5,186,073**

See Notes to the Financial Statements.

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2021

	General	Special Aid	School Food Service	Capital Projects	Debt Service	Non-Major Funds	TOTAL
REVENUES							
Real property taxes	$ 2,487,728	$ -	$ -	$ -	$ -	$ -	**$ 2,487,728**
Other real property tax items	1,233,382	-	-	-	-	-	**1,233,382**
Charges for services	157,480	-	-	-	-	-	**157,480**
Other districts and governments	207,005	-	-	-	-	-	**207,005**
Use of money and property	1,927	-	-	-	-	188	**2,115**
Sale of property and compensation for loss	9,647	-	-	-	-	-	**9,647**
Miscellaneous	61,379	-	-	-	-	76,590	**137,969**
Interfund revenue	9,843	-	-	-	-	-	**9,843**
State sources	8,606,308	570,313	8,912	15,416	-	-	**9,200,949**
Federal sources	251,835	729,233	266,581	-	-	-	**1,247,649**
Sales	-	-	2,700	-	-	-	**2,700**
Total Revenues	13,026,534	1,299,546	278,193	15,416		76,778	**14,696,467**
EXPENDITURES							
General support	1,929,587	-	20,163	-	67,051	58,769	**2,075,570**
Instruction	5,614,519	1,111,143	-	-	-	-	**6,725,662**
Pupil transportation	476,769	-	-	-	-	-	**476,769**
Employee benefits	3,108,584	265,010	-	-	-	-	**3,373,594**
Debt service	1,216,947	-	-	-	-	-	**1,216,947**
Capital outlay	-	-	-	414,574	-	-	**414,574**
Cost of sales	-	-	262,075	-	-	-	**262,075**
Total Expenditures	12,346,406	1,376,153	282,238	414,574	67,051	58,769	**14,545,191**
Excess (Deficit) of Revenues over Expenditures	680,128	(76,607)	(4,045)	(399,158)	(67,051)	18,009	**151,276**

See Notes to the Financial Statements.

OTHER SOURCES AND USES							
Operating Transfers In	501	76,607	-	-	-	-	**77,108**
Operating Transfers (Out)	(76,607)	-	(501)	-	-	-	**(77,108)**
Proceeds from Bonds	-	-	-	-	3,775,000	-	**3,775,000**
Premium on Obligations	-	-	-	-	157,051	-	**157,051**
Bond Payment - Current Refinancing	-	-	-	-	(3,865,000)	-	**(3,865,000)**
Total Other Sources and Uses	(76,106)	76,607	(501)	-	67,051	-	**67,051**
Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses	604,022	-	(4,546)	(399,158)	-	18,009	**218,327**
Fund Balances, Beginning of Year as restated (Note 14)	2,671,153	-	71,216	381,415	-	401,342	**3,525,126**
Fund Balances, End of Year	$ 3,275,175	$ -	$ 66,670	$ (17,743)	$ -	$ 419,351	**$ 3,743,453**

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 5**

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

	Custodial
ASSETS	
Cash	$ -
Total Assets	$ -
NET POSITION	
Net Position	$ -
Total Liabilities and Net Position	$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year ended June 30, 2021

ADDITIONS	
Library tax collected	$ 39,625
DEDUCTIONS	
Payment to library	39,625
Change in Net Position	-
Net Position, Beginning	-
Net Position, Ending	$ -

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 6**

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

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Cash	$ 1,016,091	$ -	$ -	$ 1,016,091
Restricted cash	958,629	-	-	958,629
Due from other funds	883,833	-	(883,833)	-
Due from other governments	1	-	-	1
Accounts receivable	94,433	-	-	94,433
State and federal aid receivable	2,231,267	62,613	-	2,293,880
Inventories	1,819	-	-	1,819
Fixed assets	-	22,740,304	-	22,740,304
Net pension asset - proportionate share	-	-	-	-
Total Assets	5,186,073	22,802,917	(883,833)	27,105,157
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	3,325,806	-	3,325,806
OPEB (GASB 75)	-	6,936,682	-	6,936,682
Total Deferred Outflows of Resources	-	10,262,488	-	10,262,488
Total Assets and Deferred Outflows of Resources	$ 5,186,073	$ 33,065,405	$ (883,833)	$ 37,367,645
LIABILITIES				
Accrued interest	$ -	$ 7,516	$ -	$ 7,516
Accrued liabilities	26,718	-	-	26,718
Unearned revenue	26,113	-	-	26,113
Due to other governments	10	-	-	10
Due to other funds	883,833	-	(883,833)	-
Due to teachers' retirement system	439,222	-	-	439,222
Due to employees' retirement system	66,724	-	-	66,724
Bonds payable	-	8,719,448	-	8,719,448
Compensated absences	-	316,675	-	316,675
Other post employment benefits	-	39,649,001	-	39,649,001
Net pension liability-proportionate share	-	708,516	-	708,516
Total Liabilities	1,442,620	49,401,156	(883,833)	49,959,943
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	1,686,594	-	1,686,594
OPEB (GASB 75)	-	4,896,324	-	4,896,324
Total Deferred Inflows of Resources	-	6,582,918	-	6,582,918
FUND BALANCE/NET POSITION				
Total Fund Balance/ Net Position	3,743,453	(22,918,669)	-	(19,175,216)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 5,186,073	$ 33,065,405	$ (883,833)	$ 37,367,645

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 7**

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

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	$ 2,487,728	$ -	$ -	$ -	$ -	$ 2,487,728
Other real property tax items	1,233,382	-	-	-	-	1,233,382
Charges for services	157,480	-	-	-	-	157,480
Other districts and governments	207,005	-	-	-	-	207,005
Use of money and property	2,115	-	-	-	-	2,115
Sale of property and compensation for loss	9,647	-	-	-	-	9,647
Miscellaneous	137,969	-	-	-	-	137,969
Interfund revenue	9,843	-	-	-	-	9,843
State sources	9,200,949	-	-	-	-	9,200,949
Federal sources	1,247,649	-	-	-	-	1,247,649
Sales	2,700	-	-	-	-	2,700
Total Revenues	14,696,467	-	-	-	-	14,696,467
EXPENDITURES						
General support	2,075,570	-	630,880	-	-	2,706,450
Instruction	6,725,662	-	(12,754)	-	-	6,712,908
Pupil transportation	476,769	-	125,366	-	-	602,135
Employee benefits	3,373,594	3,196	-	-	-	3,376,790
Debt service	1,216,947	3,542	-	(1,007,603)	-	212,886
Capital outlay	414,574	-	(110,660)	-	-	303,914
Cost of sales	262,075	-	-	-	-	262,075
Total Expenditures	14,545,191	6,738	632,832	(1,007,603)	-	14,177,158
Excess (Deficit) of Revenues over Expenditures	151,276	(6,738)	(632,832)	1,007,603	-	519,309
OTHER SOURCES AND USES						
Operating Transfers In	77,108	-	-	-	(77,108)	-
Operating Transfers Out	(77,108)	-	-	-	77,108	-
Proceeds from Bonds	3,775,000	-	-	(3,775,000)	-	-
Bond Payment - Current Refinancing	(3,865,000)	-	-	3,865,000	-	-
Premium on Obligations	157,051	-	-	(157,051)	-	-
Total Other Sources and Uses	67,051	-	-	(67,051)	-	-
Net Change for the Year	$ 218,327	$ (6,738)	$ (632,832)	$ 940,552	$ -	$ 519,309

See Notes to the Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

   Extra Classroom Activity Funds: The Extra Classroom Activity Funds of the Chateaugay Central School District represent funds of the students of the District. The Board exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported as a non-major Governmental fund.

B. Basis of presentation

   1. District-Wide Statements

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

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

   2. Fund Functional Statements

      The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are

Note 1. Summary of Significant Accounting Policies (continued)

presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Nonmajor funds are aggregated and presented in a single column. The District elects to report all governmental funds as major funds, except for the Scholarship Fund and the Extraclassroom Fund.

The District reports the following major governmental funds:

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

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

- School Food Service - used to account for transactions for the School District lunch and milk programs.

- Special Aid Fund - used to account for special operating projects or programs supported in whole, or in part, with federal funds or state grants.

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

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

C. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal

Note 1. Summary of Significant Accounting Policies (continued)

value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year (60 days for property taxes.).

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

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

b. Principal and interest on indebtedness are not recognized as an expenditure until due.

c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

d. Pension costs are recognized as an expenditure when billed by the state.

e. The School District recognizes the cost of providing post-retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.

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

E. Capital assets: Capital assets are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial cost of $1,500 or more and an estimated useful life in excess of one year. Acquisitions of equipment and capital facilities are treated as expenditures in the various funds of the School District, and are also reflected in the general fixed asset group of accounts. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Note 1. Summary of Significant Accounting Policies (continued)

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	Estimated Useful Life
Land Improvements	20 years
Buildings and improvements	50 years

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

G. Retirement plan: The School District provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State Teachers' Retirement System and the New York State Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.

H. General long-term debt: Bonds, capital notes, and bond anticipation notes issued for capital projects are recognized when issued.

I. Budgetary Procedures and Budgetary Accounting

1) General

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

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board. The budget is then approved by the voters within the District. Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred. The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types. Budget appropriations lapse at year-end.

2) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations.

Note 1. Summary of Significant Accounting Policies (continued)

Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

J. Equity Classifications:

District- wide statements:

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

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

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

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

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

Fund statements:

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of $1,819.

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:

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Retirement Contributions
According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

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

Note 1. Summary of Significant Accounting Policies (continued)

Debt Service
According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement.

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

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

Assigned – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. There were no encumbrances reported in the General Fund.

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

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

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance

Note 1. Summary of Significant Accounting Policies (continued)

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.

K. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2021 and October 26, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

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

M. Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. Next, are the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Position. This amount represents contributions subsequent to the measurement date.

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

Note 1. Summary of Significant Accounting Policies (continued)

pension liability (ERS/TRS Systems) and the difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The last item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effects of the new changes in assumptions or other inputs and differences between expected and actual experience.

N. New Accounting Standards:

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

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

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

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

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

Components of these differences follow:

Original Cost of Capital Assets	$	37,629,285
Accumulated Depreciation		14,888,981
	$	22,740,304

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

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

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables over 90 days) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the Statement of Net Position.

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

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

Serial Bonds, including net premium	$	8,719,448
Other Post Employment Benefits		39,649,001
Compensated Absences		316,675
	$	48,685,124

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

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

3. 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.

4. Other Post-Employment Benefits

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

5. Pension Differences

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

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

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

Total Revenues and other Funding Sources

Total revenues and other funding sources of governmental funds (Exhibit 4)	$ 14,696,467
No adjustments in current fiscal year	-
Total revenues of governmental activities in the Statement of Activities (Exhibit 7)	$ 14,696,467

Total Expenditures/Expenses

Total expenditures reported in governmental funds (Exhibit 4)	$ 14,545,191
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned during the year exceeded the amount used.	11,805
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital expenditures in the current year.	632,832
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities.	(980,000)
During the 2020-2021 year, the District refunding some of its existing debt in a current refinancing. The District received $157,051 as bond premium, which will be amortized over the life of the new debt (7 years)	(27,603)
The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense.	(452,792)

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

In the Statement of Activities, accrued interest expense is measured by the amount accrued at the end of the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Accrued interest was more than the amount accrued in the prior year.	3,542
(Increases) decreases in proportionate share of net pensions asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.	
Teachers' Retirement System	518,212
Employees' Retirement System	(74,029)
Total expenses of governmental activities in the Statement of Activities	$ 14,177,158

Other Sources and Uses

Total other sources and uses in governmental funds (Exhibit 4)	$ 67,051
The following are other sources of income and uses in the Debt Service Fund, but are not shown on the Statement of Activities (and are reported as long-term debt on the Statement of Net Position):	
Proceeds from Bonds	(3,775,000)
Bond Payment - Current Refinancing	3,865,000
Premium on Obligations	(157,051)
Total other sources and uses in the Statement of Activities (Exhibit 8)	$ -

Note 3. Cash and Investments

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

Investments also may be made in obligations of the United States of America or in obligations of New York State or, with the approval of the state comptroller, in certain obligations of

Note 3. Cash and Investments (continued).

municipalities, school districts, or district corporations other than the one investing the money.

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

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by financial institutions in the School's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2021 was $958,629.

Note 4. Interfund Balances and Activity

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

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	$ 807,017	$ 76,816	$ 501	$ 76,607
Capital projects	-	52,394	-	-
Special Aid	76,816	754,623	76,607	-
School Food Service	-	-	-	501
Total	$ 883,833	$ 883,833	$ 77,108	$ 77,108

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

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

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

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

Note 5. Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital assets that are not depreciated:				
Land	$ 16,350	$ -	$ -	$ 16,350
Construction in progress	6,705,977	110,660	(5,601,975)	1,214,662
	6,722,327	110,660	(5,601,975)	1,231,012
Capital assets that are depreciated:				
Land Improvements	626,854	-	-	626,854
Buildings	27,580,024	5,601,975	-	33,181,999
Furniture & Equipment	2,768,547	61,827	(240,954)	2,589,420
Total depreciable historical cost	30,975,425	5,663,802	(240,954)	36,398,273
Less accumulated depreciation:				
Land Improvements	529,850	20,602	-	550,452
Buildings	11,837,371	610,278	-	12,447,649
Furniture & Equipment	1,957,395	174,439	(240,954)	1,890,880
Total accumulated depreciation	14,324,616	805,319	(240,954)	14,888,981
Total depreciable historical cost, net	16,650,809	4,858,483	-	21,509,292
Total Capital Assets	$ 23,373,136	$ 4,969,143	$ (5,601,975)	$ 22,740,304

Depreciation was charged to governmantal functions as follows:

	6/30/2021
General Support	630,880
Instruction	49,073
Pupil Transportation	125,366
	$ 174,439

Note 6. Compensated Absences

Compensated absences consist of unpaid accumulated annual vacation time.

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

Note 6. Compensated Absences (continued)

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

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

Note 7. Indebtedness

a. Long-Term Debt Interest

Interest expense paid was $175,616 for the year ended June 30, 2021. Accrued interest adjustment amounted to $3,542 and bond amortization realized amounted to $(27,603) for a total interest expense of $151,555.

b. Changes

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

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Bonds				
Refunding Bond 2021	$ -	$ 3,775,000	$ 545,000	$ 3,230,000
Serial Bond 2012	3,865,000	-	3,865,000	-
BOCES Bond	825,000	-	55,000	770,000
Serial Bond 2020	4,970,000	-	380,000	4,590,000
Bond Premium, net of Amortization	-	157,051	27,603	129,448
Compensated absences	304,870	11,805	-	316,675
Other post employment benefits	31,383,499	8,265,502	-	39,649,001
	$ 41,348,369	$ 12,209,358	$ 4,872,603	$ 48,685,124

Note 7. Indebtedness (continued)

c. Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2021
Refunding Bond 2021	6/15/2021	6/15/2027	2.0-4.0%	$ 3,230,000
BOCES Bond	6/18/2020	6/15/2034	1.680%	770,000
Serial Bond 2020	12/17/2019	6/15/2034	2.0%-2.25%	4,590,000
Bond Premium, net of Amortization	6/15/2021	6/15/2027	N/A	129,448
Total				$ 8,719,448

The following is a summary of maturing debt service requirements for serial bonds:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	$ 905,000	$ 182,886	$ 1,087,886
2023	920,000	164,946	1,084,946
2024	935,000	146,706	1,081,706
2025	950,000	128,182	1,078,182
2026	975,000	106,858	1,081,858
2027-2031	2,550,000	284,092	2,834,092
2032-2036	1,355,000	57,798	1,412,798
	$ 8,590,000	$ 1,071,468	$ 9,661,468

Note 8. Pensions

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

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)
The District participates in the New York Teachers' retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS.

Note 8. Pensions (continued)

Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 of 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 State statute. The District also participated in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

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

Note 8. Pensions (continued)

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

CONTRIBUTIONS

	ERS	TRS
2021	$ 173,516	$ 409,791
2020	$ 163,108	$ 451,167
2019	$ 148,823	$ 388,790

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

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021 the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District’s proportion of the net pension asset/(liability) was based on a projection of the District’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	3/31/2021	6/30/2020
Net Pension asset/(liability)	$ (4,136)	$ (704,380)
District's portion of the Plan's total net pension asset/(liability)	-0.0041533%	-0.025491%
Change in proportion since the prior measurement date	$ 997,476	$ (1,336,985)

Note 8. Pensions (continued)

For the year ended June 30, 2021, the District's recognized pension expense of $109,987 for ERS and $932,225 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 50,507	$ 617,178	$ -	$ 36,098
Changes of assumptions	760,405	890,876	14,341	317,551
Net difference between projected and actual earnings on pension plan investments	-	460,022	1,187,990	-
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	51,783	17,951	2,775	127,839
District's contributions subsequent to the measurement date	66,724	410,360	-	-
Total	$ 929,419	$ 2,396,387	$ 1,205,106	$ 481,488

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

	ERS	TRS
Year ended:		
2021	$ -	$ 258,277
2022	(57,930)	537,792
2023	(11,318)	434,360
2024	(53,212)	261,545
2025	(219,951)	(8,648)
Thereafter	-	21,213
Total	$ (342,411)	$ 1,504,539

Note 8. Pensions (continued)

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/2021	6/30/2020
Actuarial valuation date	4/1/2020	6/30/2019
Interest rate	5.9%	7.10%
Salary scale	4.4%	1.90%-4.72%
Decrement tables	April1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30,2014 System Experience
Inflation rate	2.7%	2.20%

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

For ERS, the Actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Note 8. Pensions (continued)

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

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

Discount Rate

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

Note 8. Pensions (continued)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the Districts' proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1% lower (4.9% for ERS and 6.1% for TRS) or 1% higher (6.9% for ERS and 8.1% for TRS) than the current rate:

ERS	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Employer's proportionate share of the net pension asset (liability)	$ (1,147,884)	$ (4,136)	$ 1,050,668

TRS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
Employer's proportionate share of the net pension asset (liability)	$ (4,449,324)	$ (704,380)	$ 2,438,578

Pension Plan Fiduciary Net Position

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

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

Note 8. Pensions (continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $66,724.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contribution for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $439,222.

Note 9. Post-Employment (Health Insurance) Benefits

The District provides post-employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating $740,418 for 94 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

A. General Information about the OPEB Plan

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

Benefits Provided – The District provides healthcare 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.

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

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

Inactive employees or beneficiaries currently receiving benefit payments	87
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	99
	186

B. Total OPEB Liability

The District's total OPEB liability of $39,649,001 was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2019.

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

Inflation	2.4 Percent
Salary Increases	3.5 percent
Discount Rate	2.21 percent
Healthcare Cost Trend Rates	6.0 percent for 2020, decreasing annually to an ultimate rate of 3.94 percent for 2079 and later years

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

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

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

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	$ 31,383,499
Changes for the Year-	
Service Cost	900,423
Interest	1,112,353
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	7,257,531
Benefit payments	(1,004,805)
Net Changes	8,265,502
Balance at June 30, 2021	$ 39,649,001

Changes of benefit terms reflect;

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5% percent in 2020 to 2.21% percent in 2021.

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

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	$ 46,943,485	$ 39,649,001	$ 33,846,995

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	$ 32,914,115	$ 39,649,001	$ 48,446,846

Note 9. Post-Employment (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, 2021, the District recognized OPEB expense of $1,473,607. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,463,487
Changes of assumptions or other inputs	5,888,186	2,432,837
Contributions subsequent to the measurement period	1,048,496	-
Total	$ 6,936,682	$ 4,896,324

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

Fiscal Year Ending June 30,	Amount
2022	$ (1,417,072)
2023	(406,716)
2024	1,083,495
2025	1,321,349
2026	410,806
	$ 991,862

Note 10. Commitments and Contingencies

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

The Chateaugay Central School District is exposed to various risk of loss related to damage to and destruction of assets: injuries to employees and student; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties.

Note 10. Commitments and Contingencies (continued)

Operating Leases - The District Leases school buses under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2021 were approximately $61,331. Estimated future rents to be paid are as follows:

Fiscal Year Ending	Amount
2022	$ 61,331
2023	61,331
2024	61,331
2025	30,783
	$ 214,776

Note 11. Joint Venture

The Chateaugay Central School District is one of 10 component school districts in the Franklin-Essex-Hamilton 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 also 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).

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

During the year ended June 30, 2021, the Chateaugay Central School District was billed $2,086,888 for BOCES administrative and program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2021, the Chateaugay Central School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Franklin-Essex-Hamilton BOCES are available from BOCES administrative office at 23 Huskie Lane, Malone, New York. The District's share of BOCES income amounted to $1,174,498. BOCES also refunded the District $52,833 for excess expenses billed in prior years.

Note 12. Stewardship, Compliance and Accountability

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2021 was $2,161,933 which represents 15.75% of next year's budget.

Note 13. Tax Abatements

Franklin County enters into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced $5,498,803. The districts received payment in lieu of tax (PILOT) totaling $780,414.

Note 14. Change in Accounting Principle

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

Scholarship Fund	$ 287,439
Extraclassroom Activities Fund	113,903
Total prior period adjustment	401,342
Governmental Fund Balance, as previously reported	3,123,784
Governmental Fund Balance, restated	$ 3,525,126

CHATEAUGAY CENTRAL SCHOOL DISTRICT

COMBINING BALANCE SHEETS - NON-MAJOR FUNDS
June 30, 2021

	Scholarship Fund	Extraclassroom Activities Fund	**Total**
ASSETS			
Cash	$ 293,757	$ 125,594	**$ 419,351**
Total Assets	$ 293,757	$ 125,594	**$ 419,351**
FUND BALANCES			
Total Fund Balances	$ 293,757	$ 125,594	**$ 419,351**

See Independent Auditor's Report.

NEWCOMB CENTRAL SCHOOL DISTRICT

COMBINING STATEMENTS OF REVENUES AND EXPENDITURES - NON-MAJOR FUNDS
Year Ended June 30, 2021

	Scholarship Fund	Extraclassroom Activities Fund	**Total**
REVENUES			
Gifts and contributions	$ 25,230	$ -	**$ 25,230**
Miscellaneous revenue	-	51,360	**51,360**
Investment earnings	188	-	**188**
Total revenues	25,418	51,360	**76,778**
EXPENDITURES			
Scholarships and awards	19,100	-	**19,100**
Disbursements-extraclassroom	-	39,669	**39,669**
Total expenditures	19,100	39,669	**58,769**
Changes in Fund Balances	6,318	11,691	**18,009**
Fund Balances, Beginning	287,439	113,903	**401,342**
Fund Balances, Ending	$ 293,757	$ 125,594	**$ 419,351**

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget		$ 13,773,040
No adjustments		-
Final budget		$ 13,773,040

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 expenditure budget		13,725,302
Maximum allowed (4% of 2021-22 budget)		

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

Unrestricted fund balance:		
Committed fund balance	$ -	
Assigned fund balance	575,000	
Unassigned fund balance	2,161,933	
Total unrestricted fund balance	2,736,933	
Less:		
Appropriated fund balance	575,000	
Encumbrances included in committed and assigned fund balance	-	
Total adjustments	575,000	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		$ 2,161,933
Actual percentage		15.75%

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local sources:				
Real property tax items	$ 2,908,840	$ 2,488,255	$ 2,487,728	$ (527)
Other real property tax items	810,535	1,231,120	1,233,382	2,262
Charges for services	2,500	2,500	157,480	154,980
Other districts and governments	61,346	61,346	207,005	145,659
Use of money and property	20,000	20,000	1,927	(18,073)
Sale of property and compensation for loss	23,000	23,000	9,647	(13,353)
Miscellaneous	423,213	423,213	61,379	(361,834)
Interfund Revenues	-	-	9,843	9,843
State sources	8,812,263	8,812,263	8,606,308	(205,955)
Federal sources	30,000	30,000	251,835	221,835
Total revenues	13,091,697	13,091,697	13,026,534	(65,163)
Other Financing Sources				
Interfund transfers	75,343	75,343	501	(74,842)
Appropriated reserves	31,000	31,000	-	
	106,343	106,343	501	(74,842)
Total revenues and appropriated fund balance	$ 13,198,040	$ 13,198,040	$ 13,027,035	

See Independent Auditor's Report.

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of education	$ 11,550	$ 11,550	$ 7,828	$ -	$ 3,722
Central administration	155,764	159,071	157,527	-	1,544
Finance	210,884	201,662	195,240	-	6,422
Staff	120,973	120,973	107,790	-	13,183
Central services	1,405,733	1,437,975	1,209,621	-	228,354
Special items	548,123	548,123	251,581	-	296,542
Instructional:					
Administration and improvement	337,269	337,269	324,798	-	12,471
Teaching - regular school	3,099,239	3,118,822	2,962,217	-	156,605
Programs for Children with Handicapping	1,742,998	1,870,166	1,746,397	-	123,769
Occupational Education	56,571	56,245	40,873	-	15,372
Instructional media	150,862	187,825	159,530	-	28,295
Pupil service	536,858	536,858	380,704	-	156,154
Pupil transportation	531,608	543,220	476,769	-	66,451
Employee benefits	3,554,521	3,333,194	3,108,584	-	224,610
Debt service	1,257,087	1,257,087	1,216,947	-	40,140
Total expenditures	13,720,040	13,720,040	12,346,406	-	1,373,634
Other financing uses:					
Interfund transfer	53,000	53,000	76,607	-	(23,607)
Total expenditures and other uses	13,773,040	13,773,040	12,423,013	-	1,350,027
Net change in fund balance	(575,000)	(575,000)	604,022		
Fund balance - beginning	2,671,153	2,671,153	2,671,153		
Fund balance - ending	$ 2,096,153	$ 2,096,153	$ 3,275,175		

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
Year Ended June 30, 2021

							Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2021
Main Building, Annex and Bus Garage	$ 6,215,000	$ 6,215,000	$ 6,126,796	$ 110,660	$ 6,237,456	$ (22,456)	$ 5,325,000	$ 4,711	$ 890,000	$ 6,219,711	$ (17,745)
SMART Schools	633,985	633,985	579,180	10,705	589,885	44,100	-	589,885	-	589,885	-
BOCES Capital Proj	825,000	825,000	531,789	293,211	825,000	-	825,000	-	-	825,000	-
	$ 7,673,985	$ 7,673,985	$ 7,237,765	$ 414,576	$ 7,652,341	$ 21,644	$ 6,150,000	$ 594,596	$ 890,000	$ 7,634,596	$ (17,745)

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2021

Capital Assets, Net	$	22,740,304
Deduct:		
Short-term portion of bonds payable		905,000
Long-term portion of bonds payable		7,685,000
Bond Premium, net of amortization		129,448
Less: bonds payable used for BOCES project		(770,000)
Net Investment in capital assets	$	14,790,856

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

	2021	2020	2019	2018
Measurement Date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	$ 900,423	$ 831,262	$ 1,018,400	$ 1,359,652
Interest	1,112,353	1,222,007	1,153,958	1,260,081
Changes in benefit terms	-	(54,002)	(220,830)	-
Differences between expected and acutal experience	-	(79,851)	-	(8,524,580)
Changes of assumption or other inputs	7,257,531	(768,030)	(1,230,043)	(4,898,700)
Benefit payments	(1,004,805)	(1,026,063)	(998,606)	(1,029,703)
Net change in total OPEB liability	8,265,502	125,323	(277,121)	(11,833,250)
Total OPEB liability - beginning	31,383,499	31,258,176	31,535,297	43,368,547
Total OPEB liability - Ending	$ 39,649,001	$ 31,383,499	$ 31,258,176	$ 31,535,297
Covered payroll	$ 5,787,289	$ 5,547,844	$ 4,977,067	$ 4,721,401
Total OPEB liability as a percentage of covered payroll	685%	566%	628%	668%

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

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

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

NYSERS Pension Plan
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.0041533%	0.0037824%	0.0037987%	0.0035929%	0.003790%	0.003562%	0.003834%			
District's proportionate share of the net pension liability (asset)	$ 4,136	$ 1,001,612	$ 269,150	$ 115,959	$ 356,127	$ 571,630	$ 129,521			
District's covered- employee payroll	$ 1,310,970	$ 1,372,634	$ 1,169,569	$ 1,066,126	$ 987,423	$ 1,086,214	$ 1,029,777			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.32%	72.97%	23.01%	10.88%	36.07%	52.63%	12.58%			
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%			

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

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

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

NYSERS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 173,516	$ 163,108	$ 148,823	$ 145,219	$ 144,964	$ 160,914	$ 202,600	$ 151,274	$ 199,521	-
Contributions in relation to the contractually required contribution	$ 173,516	$ 163,108	$ 148,823	$ 145,219	$ 144,964	$ 160,914	$ 202,600	$ 151,274	$ 199,521	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	$ 1,310,970	$ 1,372,634	$ 1,169,569	$ 1,066,126	$ 987,423	$ 1,086,214	$ 1,029,777			
Contributions as a percentage of covered employee payroll	13.2%	11.9%	12.7%	12.4%	14.7%	14.8%	18.7%			

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

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

NYSTRS Pension Plan
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	-0.025491%	-0.02435%	-0.023191%	-0.023383%	0.023237%	-0.023726%	-0.023316%	-0.022639%		
District's proportionate share of the net pension liability (asset)	$ 704,380	$ (632,605)	$ (419,354)	$ (177,731)	$ 248,883	$ (2,464,349)	$ (2,597,272)	$ (149,020)		
District's covered- employee payroll	$ 4,452,835	$ 4,414,656	$ 4,064,347	$ 3,668,238	$ 3,705,369	$ 3,479,898	$ 3,445,677			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.82%	-14.33%	-10.32%	-4.85%	6.72%	-70.82%	-75.38%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	-102.17%	-101.53%	-100.66%	99.01%	-110.46%	-111.48%			

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

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

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

NYSTRS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 383,336	$ 431,634	$ 370,200	$ 434,269	$ 475,473	$ 624,757	$ 559,675	-	-	-
Contributions in relation to the contractually required contribution	$ 383,336	$ 431,634	$ 370,200	$ 434,269	$ 475,473	$ 624,757	$ 559,675	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	$ 4,452,835	$ 4,414,656	$ 4,064,347	$ 3,668,238	$ 3,705,369	$ 3,479,898	$ 3,445,677			
Contributions as a percentage of covered employee payroll	8.61%	9.78%	9.11%	10.68%	12.96%	16.86%	16.08%			

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

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Pass-Through New York State Department of Education:			
Special Education Cluster:			
IDEA Part B Sec 619	84.173A	0033-21-0260	$ 5,157
IDEA Part B Sec 611	84.027A	0032-21-0260	131,879
Total Special Education Cluster			137,036
Title I PT A Improv Acad Achmt	84.010A	0021-21-0920	167,467
Title I School Improvement	84.010A	0011-21-2042	344,672
Title I School Improvement	84.010A	0011-21-2342	29,259
Title IIA, Teach/Prin Trng/Recruitmt	84.367A	0147-21-0920	20,931
Title IV, SSAE Allocation	84.424A	0204-21-0920	13,665
Title V, Rural & Low income Schools	84.358A	0006-21-0880	16,203
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF	84.425D	5890-21-0920	165,448
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER	84.425C	5895-21-0920	28,041
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			193,489
Total Department of Education			922,722
U.S. Department of Agriculture			
Pass-Through New York State:			
COVID-19 Summer Food Service Program - Cash	10.559	N/A	254,675
National School Lunch Program - Commodities	10.555	N/A	11,906
Total Child Nutrition Cluster			266,581
Total Department of Agriculture			266,581
Total Federal Assistance Expended			$ 1,189,303

See Notes to Schedule of Expenditures of Federal Awards.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

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

Note 1. Summary of Certain Significant Accounting Policies

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

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

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA *STEPHEN P. WOOD, CPA*

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

To the Board of Education
Chateaugay Central School District
Chateaugay, New York 12920

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Chateaugay Central School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Chateaugay Central School District's basic financial statements and have issued our report thereon dated October 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chateaugay 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 Chateaugay Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Chateaugay 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 Chateaugay Central School District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control 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. We did

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chateaugay Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2021-001.

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.

Boulrice & Wood CPAs, PC

October 26, 2021

MICHAEL L. BOULRICE, CPA STEPHEN P. WOOD, CPA

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

To the Board of Education
Chateaugay Central School District
Chateaugay, New York 12920

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
October 26, 2021

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

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

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

Identification of Major Programs

CFDA Number(s)	Name of Federal Program or Cluster
10.559	COVID-19 Summer Food Service Program - Cash
10.555	National School Lunch Program - Commodities
84.425D	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF
84.425C	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER
84.367A	Title IIA, Teach/Prin Trng/Recruitmt

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk Auditee?	____ yes	X no

SECTION II – FINANCIAL STATEMENTS

2021-001 Excess Fund Balance

Condition: The District's unassigned general fund balance was 15.75% of next year's budget.

Effect: The District's unassigned general fund balance was 11.75% or $1,612,921 over the amount allowable by law.

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

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

Corrective Action: Corrective Action: Management will increase the use of unassigned fund balance to decrease the tax levy. $575,000 of the unassigned fund balance will be used in developing the 2022-2023 school budget. The District will work with our financial advisor to budget for allowable reserves.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current period findings.

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

There were no prior year audit findings.

BOULRICE & WOOD CPAS, P.C.
Certified Public Accountants

MICHAEL L. BOULRICE, CPA STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board
Chateaugay Central School District
Chateaugay, New York 12920

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Chateaugay Central School District as of and for the year June 30, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Chateaugay Central School District as of June 30, 2021, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Boulrice & Wood CPAs, PC

October 26, 2021

CHATEAUGAY CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

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

	6/30/2021	6/30/2020
Assets		
Cash	**$ 125,594**	$ 113,903
Total Assets	**$ 125,594**	$ 113,903
Fund Balance		
Extraclassroom Activity	**$ 125,594**	$ 113,903
Total Fund Balance	**$ 125,594**	$ 113,903

CHATEAUGAY CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

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

Activity	Balance June 30, 2020	Receipts	Disbursements	**Balance June 30, 2021**
Class of 2020	$ 1,342	$ -	$ 1,316	**$ 26**
Class of 2021	13,897	3,627	13,248	**4,276**
Class of 2022	6,868	7,691	252	**14,307**
Class of 2023	5,970	3,545	-	**9,515**
Class of 2024	-	-	-	**-**
Athletic Club	41,865	16,370	11,864	**46,371**
Book Club	585	4,944	3,346	**2,183**
Business Club	1,489	3,899	3,127	**2,261**
French Club	2,279	-	-	**2,279**
FFA	7,225	1,743	2,472	**6,496**
Instrumental Music	10,900	150	110	**10,940**
Musical	4,939	8,225	2,565	**10,599**
Library Club	4,032	-	-	**4,032**
National Honor Society	1,355	125	-	**1,480**
Rotary Interact	84	-	-	**84**
SADD	739	-	-	**739**
Science Club	5,528	498	320	**5,706**
Ski Club	-	-	-	**-**
Student Council	3,276	75	640	**2,711**
Student Council/Spec	1,530	10	-	**1,540**
Sales Tax	-	458	409	**49**
	$ 113,903	$ 51,360	$ 39,669	**$ 125,594**

See Notes to the Financial Statements – Extraclassroom Activity Funds.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

Basis of Presentation: The Extraclassroom Activity Funds of the Chateaugay Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are reported in the Governmental Funds of the District as a Non-Major fund.

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

APPENDIX C

Form of Legal Opinion

LAW OFFICES
OF
Timothy R. McGill
248 WILLOWBROOK OFFICE PARK
Kristine M. Bryant FAIRPORT, NEW YORK 14450 Tel: (585) 381-7470
Paralegal Fax: (585) 381-7498

June 23, 2022

Board of Education of the
Chateaugay Central School District
Franklin County, New York

Re: ***Chateaugay Central School District***
$3,980,000 Bond Anticipation Note, 2022

Dear Board Members:

I have examined a record of proceedings relating to the issuance of a $3,980,000 principal amount Bond Anticipation Note, 2022 of the Chateaugay Central School District, a school district of the State of New York. The Note is [registered to _________ / in book-entry-only form registered to "Cede & Co.,"] is dated June 23, 2022, is numbered 2022B-1, bears interest at the rate of _____________________ per centum (____%) per annum payable at maturity, matures June 23, 2023, and is issued pursuant to the Local Finance Law of the State of New York and a bond resolution adopted January 11, 2021. The proposition approving the matters set forth in the bond resolution was approved by the voters of the School District on December 15, 2020. The Note is not subject to redemption prior to maturity. The Note is a temporary obligation issued in anticipation of the issuance of bonds.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Note is a valid and legally binding obligation of the Chateaugay Central School District, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the School District without limitation as to rate or amount.

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Note in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Note is excludable from gross income for Federal income tax purposes under Section 103 of the Code and will continue to be so excluded if the School

District continuously complies with such covenant; and under the Code, interest on the Note is not a specific preference item for purposes of the federal alternative minimum tax. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Note. Further, in my opinion, interest on the Note is exempt from New York State and New York City personal income taxes under existing statutes.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my engagement in relation to the issuance of the Note has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of and interest on the Note as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Note for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, sufficiency, completeness or fairness of the Official Statement or any factual information contained therein or any additional proceedings, reports, correspondence, financial statements or other documents containing financial or other information relative to the School District or the financed project and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Note, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading. In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the School District, or (ii) on the market price and fair market value of the Note at initial issuance or at any time thereafter.

Very truly yours,

Timothy R. McGill, Esq.

TRM:

APPENDIX D

Material Event Notices

Material Event Notices

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

For the purposes of the event identified in paragraph (1) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

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

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